



Daily Report

East Europe

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Security Improved Around U.S. 'Spy Plane' Base
AU0707115395 Tirana KOHA JONE in Albanian
6 Jul 95 p 2

[Report by Besmir Gjergji: "Spy Planes Stationed Yesterday Afternoon"]

[FBIS Translated Text] 6 July—Five U.S. transport aircraft are coming and going between Italy and Albania. Their destination is the military airfield of Gjader in the north of Albania and their task is to deliver American specialists and to transport spy planes.

The spy planes have been temporarily dismantled and packed in crates, while the tents of the U.S. forces have been pitched in the middle of one of the airstrips. The aircraft are not yet ready to fly and have still not reached the runway.

According to earlier reports, they are equipped with surveillance equipment and state-of-the-art cameras. Suffice it to say that they can photograph a newspaper in the hands of a Serbian soldier so clearly that the Pentagon's computers can read the news in small print. Although this is nothing new for the Albanian Defense Ministry and the U.S. Embassy, intensive work is continuing at Gjader. Security measures have been significantly increased. It seems that the erection of barbed wire and the reinforcement of military patrols are not enough: The military police and the National Intelligence Service have organized security around the miniature U.S. base. Servicemen say that they have been threatened with court martial if they do not fire without warning on anyone who enters the "forbidden zone." Even peasants have been prevented from harvesting their crops near the "base." The dangers posed to Albania by these aircraft come from Milosevic considering Albania a hostile country, and the possibility of these aircraft losing radar contact and, as a result, crashing in the surrounding inhabited areas.

Political 'Strings' Tied to Islamic Bank Loan
AU0607125595 Lezhe KOHA JONE in Albanian
6 Jul 95 p 3

[Article by Emin Barci: "Islamic Bank Loan Approved: \$4.2 Million To Boycott Israel—Parliament Respects the Islamic Conference"]

[FBIS Translated Text] The agreement between our government and the Islamic Development Bank for a loan of \$4.25 million was presented to parliament for ratification yesterday. However, a bitter debate developed over ratifying this agreement. As early as the meeting of the Parliamentary Foreign Affairs Commission on 4 July, explanations of the conditions attached to this loan had been sought from the Foreign Ministry.

However, the Foreign Ministry knew nothing, because the loan was negotiated by the Ministry of the Economy and Finance. Before the loan was ratified, a bitter argument broke out over Article 2.02 of this agreement. This article states that this loan will be delivered on condition that Albania enforces the statute of the Islamic Bank. Among other things, the Islamic Conference demands the boycott of Israel as a state. First, only two alternatives were proposed—either the approval of the law as it stood, or its rejection. It was later proposed to postpone the approval of the law until the Foreign Ministry gives its opinion. However, the debate gradually boiled down to a clash between those for and those against Islam, which led to a vote in favor of the agreement with 55 votes in favor, 14 abstentions, and four against. This is the first loan given to Albania with political conditions since the advent of pluralism. Many deputies protested the fact that our parliament has not ratified Albania's admission to the Islamic Conference, and there is no way that it can ratify a loan agreement with political strings arising out of this organization's statute. Meanwhile, internal sources within the Democratic Party say that there is no need to submit the agreement to parliament at all, because it is considered to be ratified by Berisha's signature alone. For the ruling party's deputies, the loan was approved on the pretext that the money will be used to build a hospital in Durrës, and the conditions attached to it are not important. Nevertheless, the condition imposed by the Islamic Development Bank at present looks more like a provocation for our parliament to take a pro- or anti-Islamic stance. Such a condition is absurd because of the fact that the Israeli Rabin and the Palestinian 'Arafat shook hands last year, signing a peace agreement and winning the Nobel Peace Prize. If a clause against Israel has still not been removed from the statute of the Islamic Bank, this does not mean that Albania, before the week of her admission to the Council of Europe is out, should vote for an article stating that she should boycott Israel, which has long been a full-fledged member of the Council of Europe and voted in favor of Albania's admission. This article is being retained in the statute of the Islamic Conference on the insistence of Iraq and Iran. While Iraq is notorious for Saddam Husayn's dictatorial regime, Iran only two weeks ago obliged its people to remove their television antennas, preventing them from watching foreign channels. Albania's membership of the Council of Europe has now been passed. It seems that the Islamic Conference is using hospitals and patients as a tool to draw Albania closer to it.

Privatization Agency Gives Guidance on Bond Use

AU0607125695 Tirana RILINDJA in Albanian
6 Jul 95 p 11

[Article by A.S.: "How Bonds Will Be Used"]

[FBIS Translated Text] It seems that the privatization bonds will soon recover from the state of "paralysis" caused by their precipitate decline in value on the money market. On the eve of the publication of the list of large and medium-sized enterprises that will shortly be put up for auction, the National Privatization Agency in cooperation with the Merchant Bank and the Savings Bank has published instructions on how private bodies and individuals may use these bonds in order to buy and sell state assets. At the same time, the National Privatization Agency underlines that opportunities also currently exist to use privatization bonds to buy small concerns, buildings, and other assets.

Distributed to all the district branches of the National Privatization Agency, the Merchant Bank, and the Savings Bank, these instructions describe the rights of those taking part in the auctions for the sale of enterprises. They state that all participants in auctions will deposit as a guarantee 20 percent of the value of the enterprise to be privatized. This can be done in three ways: in leks, in privatization leks (distributed to the former victims of political persecution), and in the form of the privatization bonds distributed to the entire population.

If the enterprises are to be paid for in leks, the instructions explain, those interested in taking part in the auction should go to the National Bank or its branches in the districts, where they will pay the 20 percent of the factory's value into the National Privatization Agency's account. In cases in which this sum must be returned to the person who has deposited it, i.e. in cases in which he does not win the auction, the procedures used so far by the branches of the Treasury will be employed.

If the person interested in taking part in the auction possesses privatization leks, he must go to the Savings Bank or its branches in the district in order to pay in 20 percent of the value of the enterprise into the "Privatization Earnings" account of the National Privatization Agency. Those who fail to win the auction will be supplied with credit notes issued for the return of the 20 percent issued by the National Privatization Agency's branches, and will go to branches of the Savings Bank, which will settle accounts without the mediation of the Treasury.

When the 20 percent payment is made with privatization bonds, interested persons must deposit their payment at the Merchant Bank and its branches. Bank employees will count the privatization bonds in the presence of the payer, and will insert them in a special envelope with the depositor's name. Signed by both parties, the envelope will be passed to the custody of the bank. The instructions specify that the bank employee must supply the depositor with a document certifying the sum paid in privatization bonds, which must be sent to the branch of the National Privatization Agency. If the person loses the auction, he will be supplied with a "standard" authorization from the National Privatization Agency; returning to the Merchant Bank, he will be reimbursed with the relevant sum. The National Privatization Agency will ask for full payment of the value of the enterprise from the winner of the auction, and will in conclusion inform the Merchant Bank of the amount used in bonds. On the basis of this information, these "consumed" bonds will be withdrawn from circulation and destroyed.

Meanwhile, the National Privatization Agency explains that privatization bonds may already be used, before the lists of the enterprises to be privatized have been published, to pay for overdue payments for privatized assets, to pay for motor vehicles granted to their drivers, and even to buy privatized agricultural enterprises.

Konakchiev Departs for Libya for Economic Talks

AU0607115695 *Sofia Khorizont Radio Network in Bulgarian 0900 GMT 6 Jul 95*

[FBIS Translated Text] Doncho Konakchiev, deputy chairman of the Council of Ministers, departed on 6 July for Tripoli, for a Bulgarian-Libyan Economic Cooperation Committee session. Prior to departure he said that he hopes to meet with understanding in Libya, as well as to contribute to restoring good relations between Bulgaria and Libya, which—I quote—have deteriorated in recent years without any apparent reason. New contracts will be sought, as well as a settlement for Libya's debts, most of which are to Bulgarian companies. This will be done after clarifying the mutual claims.

If a meeting with Libyan leader al-Qadhdhafi materializes, the leader of the Bulgarian Government delegation will see this as a good sign and an indication that the joint committee session will proceed in a good atmosphere.

Defense Industry Official Interviewed

AU0607161995 *Sofia PARI in Bulgarian 1 Jul 95 p 4*

[Interview with Metalkhim Holding General Director Iliya Gunchev by an unidentified correspondent; place and date not given: "The Army Needs Gunpowder, Fuel, and Ammunition"]

[FBIS Translated Excerpt] [PARI] Mr. Gunchev, how would you assess the present situation in the military-industrial complex?

[Gunchev] We have also been affected by the crisis. The state is experiencing difficulties. The change of several cabinets and the destabilization of our economy caused the loss of markets and partners. We lost our relations with the CIS, the Arab world, China, and India. One could say that we ourselves cut our own road to big

business. Nevertheless, we are on the verge of overcoming the stagnation. A Bulgarian-Russian Defense Industry Commission was created during Berov's time. Positive trends have been strengthening since the beginning of the year. Chernomyrdin's visit demonstrated that the Russians tend to forget the recent past and want to restore contacts with us.

[PARI] Does Russia owe us anything?

[Gunchev] Russia owes us \$50 million for production delivered before 1991. Part of the debt will be paid by the supply of spare parts for the Army and the Air Force, but this money will be deposited in the Defense Ministry's account, not the military-industrial complex budget. It appears that the defense industry is financing the Army at the expense of our enterprises' workers and experts. However, this should not predetermine our attitude toward our CIS partners. We cannot exist without them. A great deal of our equipment and ammunition is not produced in Bulgaria. The volume of some of our production lines is extremely limited and cannot meet the needs of our Army. For example, we produce 1,500 metric tons of gunpowder per year. Our Army needs 8,000 metric tons. We cannot resolve this disproportion without cooperating with other countries—Russia and Ukraine. However, we do not have an agreement with them. Earlier, everything was done automatically within the framework of the Warsaw Pact. And now? I am telling the generals and officers that the day will come when we will have to arm our soldiers with sticks! [passage omitted]

[PARI] There is rumor according to which some political structures are striving to enter your territory....

[Gunchev] I do not want to comment on this issue, but it really does exist. I think the state should adopt urgent measures to restore the balance in our branch. [passage omitted]

Influence of Foreign Criminal Gangs Examined

95CH0263A Prague RESPEKT in Czech 21 May 95
p 4

[Article by -JS-: "Attention, Mafia!"]

[FBIS Translated Text] Our underworld has been dominated by foreign gangs. Trafficking in drugs, stolen automobiles, prostitution, smuggling of uranium and weapons have fallen into the hands of the foreign mafia. In the competition, Czech criminals are losing: They have assumed the lowest positions on the rungs of the ladder that is the organized underworld and are now only rendering something like a "service" to their stronger colleagues from abroad. At least that was the way the spokesman for the Ministry of the Interior, Jan Subert, announced things last week. But he forgot to mention two important matters: where he obtained this information and, if it is credible, why the police do not take action against these gangs. Subert explains this simply: Facts are far from being proof. So that even if the police are incontrovertibly convinced of the existence and the "work" of the gangs, they cannot act because they lack material evidence.

A similarly alarming statement, which is only verifiable with difficulty, was recently made by yet another representative of the security components. The chief of the Czech Office for Investigation, Vaclav Picka, said 10 days ago that a number of important specialists are leaving the police today for a simple reason: They have become afraid as a result of mafia threats and blackmail.

According to police experts, we have far less experience with organized crime than is the case with our Western colleagues. For the present, we are at the stage where we can manage to at least monitor the actions of the mafia well. These words were confirmed last week even by Ruml, minister of the interior.

For example: From agents of the telephone monitoring service and with the aid of thorough analysis, the police found out that the Russians are beginning to have a dangerously high share in the real estate market in our country. The feeling, which borders on certainty, is that in this way they are laundering money that is obtained as a result of criminal activities in Russia, but nothing can be done. The police also know that, if chiefs acquire dwellings, there follows an immediate uncontrollable influx of "mafiosi" from the lowest rungs of the organizational ladder. Killers, drug dealers, and smugglers arrive in this country as tourists, and the authorities then lose sight of them and they begin carrying out their work. Their illegal sojourn is facilitated to a great ex-

tent by the fact that they are living in the houses of their employers.

According to Subert, it is possible to prosecute these people only for criminal acts, but then the police would have to catch them red-handed. Regarding one such group, it is allegedly known "with virtually 100-percent certainty" that it smuggles stolen automobiles to Russia. But how to prove that? The Interior Ministry is convinced that specialists from the KGB and trained veterans from Afghanistan are working for the Russian mafia. But again, this is a judgment based only on indications: A check of foreigners working in this country has revealed that approximately 10 percent of the legitimate Russians worked for the KGB or saw military action in Afghanistan. And that is all.

The activities of the mafia cannot even be broken down according to apprehended perpetrators, in any case. For example, of 56 murders committed this year in the Czech Republic, only five were contract hits. And it is impossible to accuse the "mafia" of them: They were more a matter of settling of accounts between businessmen. Or: The police are convinced that gangs of smugglers from Poland and Russia are substantially involved in automobile thefts. Last year, more than 25,000 automobiles were stolen, and only several hundred of those thefts can be attributed demonstrably to organized crimes committed by Poles and Russians. Czech jails are holding almost 20,000 individuals, 3,500 of whom are foreigners. But not even among them do we find any members of the mafia: The majority of them are Slovaks who are serving time for the customary offenses. The police virtually talk more than they actually know about Chechnyan, Russian, and even Chinese mafias.

As far back as 1992, the government had promised to "proceed with emphasis" against organized crime in its program. This was to be achieved through "restricting the creation and legalization of illegal profits, through effective international cooperation, and through the creation of new laws." To what extent has this promise been fulfilled?

On New Year's Day of last year, the Unit for Uncovering Organized Crime came into being. It has branches in all former kraj cities of Bohemia and Moravia. The organization is equipped with key computer equipment and yet there was a slight mistake made: Because a network does not exist, the computers at the headquarters are unable to communicate with the "field" stations. Although the government approved the proposed

"law against legalizing the proceeds of criminal activities," the parliament has not approved the law to this day. According to Milan Uhde, chairman of the Chamber of Deputies, this will perhaps occur by the end of the year.

As far as the second portion of the promise is concerned—the agreement with international

organizations—only one thing is at stake. Harmonizing Western laws with Czech laws. At the government session held in mid-March, Deputy Prime Minister Kalvoda had his proposals dealing with the foreign crime problem returned to him, and the government is expected to take up the matter again in two weeks.

President Receives Norwegian Defense Minister

LD0607143995 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1300 GMT 6 Jul 95

[FBIS Translated Text] In Bratislava, President Michal Kovac received Jorgen Kosmo, minister of defense of the Kingdom of Norway, who is paying a three-day visit to Slovakia.

During their conversation, Michal Kovac confirmed that Slovakia wanted to take part in creating a European security system, while the Russian Federation and Ukraine must also be taken into account. In his view, Slovakia's entry into NATO is possible earlier than its entry into the European and Western European Union.

The Norwegian defense minister said Slovakia's acceptance into NATO depends on the consensus of all of the members of the alliance and the appropriate countries, while Russia and other nonmember states cannot have the right of veto.

Government Economic Policy Memo Called Two-Faced

95CH0265A Bratislava TREND in Slovak 26 Apr 95
p 2A

[Editorial by Eduard Zitnansky: "The Government Memorandum on Economic Policy Tells a Different Story to the IMF Than It Does to the Citizens"]

[FBIS Translated Text] *The government memorandum on economic policy figures on saving expenditures on subsidies and state support payments. It is noteworthy that the savings are spoken of by the same people who in fact spoke of subsidizing prices of basic foods before last year's parliamentary elections.*

The memorandum on economic policy, which the Slovak Government worked up for the International Monetary Fund (IMF), uses more rational language than appears in the government program declaration but is just as full of optimism. It is not possible to criticize anyone for positive thinking, but it is possible not to identify with it.

The expectations of the government that have to do with the growth of the gross domestic product, with the recovery of consumption and public investments are based on the expectation that last year's developments would continue in a uniform manner.

Until now, a citizen might think that the government has a magic wand to stimulate public investments. The memorandum gave this instrument a generally prosaic name: "for purposes of creating room to increase capital

expenditures intended to finance projects in the area of the infrastructure and to cover expenses for structural reform, current expenditures in the entire public sector will be reduced...."

The memorandum figures on achieving savings in subsidies and state support payments. This fact is noteworthy particularly because the savings are being mentioned by the same people who, before last year's parliamentary elections, spoke with such absolute conviction even about supporting prices for basic foodstuffs.

Forgetfulness is clearly a characteristic from which even the authors of the memorandum suffered. As recently as December, they were claiming that property worth approximately 70 billion korunas [Sk] would be put up for coupon privatization. Then they corrected themselves and made available property worth approximately Sk50 billion. And precisely at the time the memorandum was being formulated, government material came into being that would act to reduce the value of property to be offered for coupon privatization by another Sk10 billion. In the opinion of the authors of the memorandum, the citizen will be at an advantage if the government, in deciding on the method for privatization, will "be governed by the principle that control of enterprises must be transferred to clearly defined owners in order to assure efficient management. That is why we will place more stress on standard privatization methods, and our focus will be to sell the majority share of the securities of each enterprise to strategic investors. In this manner, the citizens would have the opportunity to acquire securities in enterprises in which it is realistic to anticipate profitability through the form of coupon privatization."

The citizen, having been degraded to being a poorly defined owner, acquires securities in which the market will not be interested. After all, who would be buying parts of an enterprise in which a clearly defined owner controls the major portion of the packet of securities?

In another place, the memorandum carefully admits that problems could arise with payments made as a result of direct sales. Neither the memorandum nor its authors need express any fear as far as relationships with the citizenry are concerned. Virtually 3.5 million people prepaid for their participation in coupon privatization, and, despite the great changes in privatization conditions, they will not get their money back.

The memorandum on economic policy is a standard document intended for the specialists at the IMF. It cannot make use of the rhetoric heard in pre-election meetings but should probably also not rely on the fact that no one at home will read it.

Slovak Ambassador Views Bilateral Relations

AU0607151095 Budapest NEPSZABADSAG
in Hungarian 6 Jul 95 p 7

[Interview with Eva Mitrova, ambassador of the Slovak Republic in Budapest, by Tibor Kis in Budapest; date not given: "The Basic Treaty Gives Big Opportunities"]

[FBIS Translated Text] [Kis] Has any change been felt in bilateral relations since the signing of the basic treaty?

[Mitrova] In my opinion, one can already feel a certain detente and a slow increase in confidence. Of course, for now we can only speak of shades of improvement. However, there are also tangible results: High-level bilateral talks have become quite frequent in recent weeks. Various ministerial meetings take place one after the other. Many bilateral contracts have been signed lately, and this can be seen as a direct result of the basic treaty. All in all, the implementation of the basic treaty has actually begun.

[Kis] The Hungarian parliament has already ratified the basic treaty. When can we expect the same by the Slovak parliament in Bratislava?

[Mitrova] As [Prime Minister Vladimir] Meciar already announced, the Slovak parliament will probably ratify the treaty in September this year.

[Kis] At the same time, Bratislava has already ratified the Council of Europe's framework agreement on national minorities. Why did this enjoy priority over the basic treaty?

[Mitrova] In the past, Slovakia was both suspected and accused regarding the situation of national minorities. It was very difficult to defend ourselves against this, because we lacked the generally accepted international norms and criteria to compare our national minority practice. My country could hardly wait for such norms and warmly welcomed the Council of Europe's framework agreement, an agreement that provides such European norms regarding the national minorities. From now on, it will be possible to assess the Slovak practice, and this is very important for us, because we can avoid unfounded accusations.

[Kis] As opposed to what you said here, there are also opinions according to which Bratislava is delaying the ratification of the Hungarian-Slovak treaty because there is no unity in the Slovak Government coalition regarding the evaluation of this treaty. Are there really such coalition differences regarding the basic treaty?

[Mitrova] It is no secret that the Slovak Government coalition is not so united as the Hungarian coalition on evaluating this treaty. Nor is it a secret that Prime Min-

ister Meciar is treating the ratification and implementation of the basic treaty very seriously and responsibly, and he wants to make sure that this process advances smoothly in Slovakia too. As for the framework agreement of the Council of Europe, the ratification of this document will also create a better atmosphere for the ratification of the basic treaty in the Slovak Parliament.

[Kis] In your view, could a situation emerge in which the Slovak parliament rejects the basic treaty?

[Mitrova] I am very optimistic on this matter; I am convinced that ratification is the only rational solution.

[Kis] There has been a debate on the interpretation of Recommendation 1201 of the Council of Europe between Budapest and Bratislava. In your view, how can we bridge this difference of views?

[Mitrova] I do not regard the prevailing situation as a real debate, because this recommendation does not mention collective national minority rights anywhere in the text. The Hungarian negotiating partners knew—because we made it clear to them—that Slovakia would never declare collective national minority rights. In other words, all we are talking about here is that the Slovak side does not accept the inclusion of collective national minority rights into the treaty. What can we argue about then?

[Kis] However, the prevailing situation is that Bratislava interprets the relevant article differently from Budapest. What can be done in this situation?

[Mitrova] Hungarian Foreign Minister Laszlo Kovacs was absolutely right when he said he did not want to get involved in interpretation debates. Who starts the debate? In my opinion, not the governments in question. As for the final text of the treaty, there is no need for any further debate either.

[Kis] But there are other sources of debate, like the alternative education in Slovakia. To what extent do you feel the emotions around this issue are justified?

[Mitrova] There are slightly more than 560,000 Hungarians living in Slovakia. Our experience shows that quite a big percentage of these people are unable to express themselves properly in the Slovak language. In addition, there is unemployment precisely in the regions inhabited by the ethnic Hungarian minority. If these people go to find work elsewhere, obviously they will have language difficulties. In my opinion, if a country wants its citizens to use the state language actively, this cannot be regarded as something negative. All that is happening now is that the state now asks the parents whether they want to improve this situation. The parents can choose: They can decide to have their children continue their

studies in a Hungarian school, or to go to an alternative classroom where some subjects are taught in Hungarian and some other subjects are taught in the Slovak language. In other words, the latter gives the children a much better chance of learning the Slovak language without losing contact with their mother tongue.

[Kis] How is this alternative system organized concretely?

[Mitrova] The teachers in these schools must ask the parents in writing, and the parents can openly declare their preference. However, the teachers must obtain this parental approval, and a state school director who fails to fulfill this obligation can be called to account. In my opinion, in this case, we are talking about a labor rights problem rather than a national minority issue. No one obliges these people to persuade parents of something; they must only ask. No one on the Slovak side wanted to influence the parents in question. I am aware, however, of the existence of strong pressure on the Hungarian parents to come up against the alternative education. The school directors who were fired recently failed to fulfill their labor code obligation.

[Kis] In your view, after the ratification of the basic treaty, what initial steps would be necessary to change the current lack of confidence?

[Mitrova] In my opinion, the increase in confidence has already begun. However, along with many other things, I also hope that the situation of the ethnic Slovak minority in Hungary will also improve after the ratification of this treaty. For example, I would praise God if such an alternative school could be found here in Hungary. This would not only mean the teaching of the Slovak language, but also the teaching of a few subjects in the Slovak language. In other words, the things the organizations of ethnic Hungarians in Slovakia are fighting against are our goals here in Hungary. I hope that, in the spirit of the basic treaty, it will be possible slowly to advance here in Hungary toward a system of national minority institutions that already exists in Slovakia, namely to have at least one or two Slovak deputies in parliament, two or three schools teaching several subjects in the Slovak language, Slovak-language Catholic priests, Slovak newspapers, and the ability to get the Bratislava television program around Békéscsaba as well.

[Kis] The system of institutions of a national minority of several hundred thousand people is more structured than a similar system of a national minority of several tens of thousands. According to statistics, we cannot talk about hundreds of thousands of ethnic Slovaks in Hungary.

[Mitrova] More than 150,000 people voted for the Slovak list at the latest parliamentary elections in Hungary. Apart from the votes based on personal sympathy, there must have been at least 100,000 Slovak voters there, or even more, because not everyone went to vote. In my opinion, this number should be taken into consideration in setting up a system of national minority institutions. If this happens, the basic treaty will give us great opportunities to approach the situation already prevailing in Slovakia.

Horn Says No Extra Parliament Session Needed

LD0607191095 Budapest Kossuth Radio Network
in Hungarian 1600 GMT 6 Jul 95

[FBIS Translated Excerpt] Our correspondents Judit Laszlo and Gyongyi V. Nagy report on today's government session.

[Correspondent] According to the government's position, it is not necessary to convene an extraordinary parliament session before 20 August, but it is possible that the next session, scheduled for September, will start earlier. This was announced by Prime Minister Gyula Horn at a press briefing following the government session. The ministers also agreed that the laws on this year's supplementary budget and the social insurance budget should come into force. [passage omitted]

Answering a "Chronicle" question as to whether the government decision can put some pressure on the president of the republic, who has not yet signed the law on the supplementary budget, Gyula Horn said he hoped that Arpad Goncz will accept the government stance, which was a kind of wish, a kind of recommendation to the head of state to sign the law.

The prime minister also said he would like to meet Laszlo Solyom, head of the Constitutional Court, on Monday to learn about the body's position on stabilization and the reform of state finances. Following last week's Constitutional Court ruling, the government, as you will hear from Gyula Horn, is facing the following facts:

[Begin Horn recording] There is a deficit of some 12 billion forints (Ft) in the central budget, and a deficit of Ft16 billion has occurred in the social insurance self government budget. Thus, it is by all means necessary to draw the following conclusions, which I sum up as the government's position: Regarding the 1995 budget, we have to recover the Ft12 billion. The government will make the relevant decision on this on 26-27 July. We are not delaying the decisions, we just want to see the figures for the first half of 1995, not just the expenses, but the incomes, too. [end recording]

[Correspondent] [Passage omitted] The government considers it important to inform the public about the steps taken so far to curb the black economy, Gyula Horn said. The possibilities of extending the scope of authority of the APEH [Tax Supervision Office] were also discussed.

The government adopted the proposals for a new financing system for MAV [Hungarian State Railways] today. According to this, in 1996 MAV will be freed from its debt of Ft40-50 billion, Transport Minister Karoly Lotz announced. [passage omitted]

Bokros Defends Acceptance of Severance Pay

95CH0279A Budapest MAGYAR HIRLAP
in Hungarian 10 Jun 95 p 3

[Unattributed article: "Bokros: I Worked For My 16 Million; Suranyi Did Not Take a Penny From CIB"]

[FBIS Translated Text] Lajos Bokros, who is on a visit to New York, talked with Hungarian-Americans there on Thursday about, among other things, the 16 million forints [Ft] he received from Budapest Bank. The finance minister thinks that had he received twice that amount, he would have deserved it, because "it is backed by achievement."

The finance minister told reporters in New York that four years ago, together with his wife, he established a foundation which pays more than Ft1 million yearly in support of students from Transylvania who study in Hungary. He had spent some of his income on charitable causes before that time, as well, but even if this were not the case, "it would be nobody's business, because I worked for this money a hundredfold," Bokros explained. When he took over the Budapest Bank, the institution was on the brink of bankruptcy, whereas today, first-rate foreign banks are competing for it, he recalled the events that led up to the case. The increase in the price of stocks means a profit of approximately Ft3.5 billion for the country. This is the basis of Bokros's claim that there is achievement behind the Ft16 million severance pay in his contract.

The president of the central bank, Gyorgy Suranyi, received no severance pay from the Central European International Bank [CIB] when he left his position as director general of his own accord at the beginning of March. Gyorgy Zdeborsky, president-director general of the bank explained in reply to a question by MAGYAR HIRLAP, refuting the rumor that Suranyi left the CIB with a severance pay of more than Ft20 million. (The CIB is privately owned; 66 percent of the bank is owned by the largest commercial banks of the world, and 33 percent, by the Hungarian National Bank.) Last November, CIB's board of directors elected Suranyi

director general for another three years, i.e., from 1 January 1995 to 31 December 1997. However, the contract was not signed until the end of February "because there was no pen handy," Zdeborsky added. (It is well known that Suranyi had been one of the official candidates for the position of the central bank's president since December.—The editor) Incidentally, there would have been no legal problems if Suranyi had signed the three-year contract for the position of director general in the beginning of the year.

Churches View Property Restoration Schedule

95CH0279B Budapest MAGYAR HIRLAP
in Hungarian 10 Jun 95 p 4

[Unattributed article: "Church Property Schedule"]

[FBIS Translated Text] By the end of September, the Catholic Church will prepare the list that can serve as the basis for the new schedule of the restoration of property. Endre Gyulay, diocesan bishop of Szegedcsanak, vice president of the episcopacy, told MAGYAR HIRLAP that the prime minister was indeed in favor of this cause, and that the process of the restoration of church property was being followed closely abroad, as well.

At its regular summer session, the Hungarian Catholic Episcopacy discussed, among other matters, the negotiations of the leaders of the four historical churches with Prime Minister Gyula Horn. The bishops evaluated the proposals relating to church property forwarded at the May 31 meeting. Diocesan bishop Endre Gyulay was entrusted with the organization and preparation of the new system of regulating the ownership of church property on behalf of the Catholic Church.

At the meeting with the prime minister the participants agreed that in terms of the law, the churches would receive the property which they asked to be returned by 2001, but in view of the country's financial situation, the deadline of monetary restitution would be postponed another 10 years.

At the request of MAGYAR HIRLAP, Bishop Gyulay outlined the necessary steps in connection with property matters. He would have to divide the buildings which the church can request to be returned into two large groups. The first group would include property which the church wanted to be returned in the form of real estate. In this category, they would only accept substitutes in exceptional cases, when the prerequisites for the operation of certain religious orders were not present, or in the case of schools the establishment of which had already been planned by the church. These properties must be assessed and agreements must be

made with the present owners. In the second category, the church would designate buildings for which it would receive monetary compensation in the course of the next decade and a half. According to the vice president of the Catholic Episcopacy, one could trust in the prime minister's goodwill, but the honest cooperation of other offices would also be necessary to solve the property issues. Nevertheless, Endre Gyulay trusts that the matter which is also followed closely abroad will be solved in a satisfactory manner.

The Council of the Hungarian Reformed Church explains in a communique that it insists on the gradual settlement of property issues as approved by the arbitration committee composed of representatives of the government and of the churches. In the matter of property which has not yet been discussed by the arbitration com-

mittee, the council considers it necessary to implement Law No. 32 of 1991. In order to facilitate the implementation of the law, the council, also by 30 September, will compile a list of properties which the Reformed Church wants to be returned under any circumstances. For the rest of the property, the return of which the church can ask for, they will request monetary compensation. In the case of the latter, the reformed church will only agree to cancel the prohibition of sale once it has adequate financial guarantees. The reformed church also considers it necessary to insure that the value of payments is maintained. In order to achieve mediation between the state and the church, the council considers it necessary that the government establish relations on the state secretary level by 30 June.

Karadzic Predicts Conflicts With FRG Military

AU0707093895 Mainz SAT-1 Television Network
in German 30 Jun 95

[Interview with Bosnian Serb leader Radovan Karadzic by an unidentified SAT-1 correspondent on 30 June; place not given—recorded; in English; videotape obtained directly from SAT-1]

[FBIS Transcribed Text] [Correspondent] Mr. Karadzic, what do you think of the decision of the Federal Republic [of Germany] to send soldiers into the conflict area on the Balkans?

[Karadzic] I think that German Parliament should not approve this move. I think this is very unfortunate move. I think the German Government has made a mistake, because we still have many problems here and we do not need German soldiers here. That is something that we have to forget about—German military presence here. We would like to remember Germany about its own technological and developmental power, not military power. And I am afraid that, if they arrive here, there would be inevitable incidents and, maybe, conflicts.

[Correspondent] Would the Germans be, let's say, somehow, enemy number one, if they come—the German soldiers.

[Karadzic] Well, there are many people alive who witnessed what happened during Second World War here. And, certainly, they still fight, although they are elderly. Their own sons and grandsons are fighting, and if anything happens, people would think that it has been done by Germans, although it may not be done by Germans. Simply, it is completely wrong to have German soldiers on the Balkans. And you may be right, people may accuse Germans for something that they even have not done.

[Correspondent] It is now 15 months since you said here in Pale after negotiations with Aleksandr Churkin: I think the war in Sarajevo finally is over.

The war is going on. Do you have any idea how to finish this war—an idea which could be acceptable to both sides?

[Karadzic] I had hoped that with this agreement about Sarajevo war ended in Sarajevo. However, Muslims have continued to use snipers and even to launch big offenses against Serbian part of city. As you know, there is the Serbian part of the city and the Muslim part of the city. And we propose the transformation of city into two cities. Otherwise, there is going to be a very long war in Sarajevo. The war should end, and it would end immediately after the international community decides to take realpolitik, to take reality into account—and

reality is that there are three nations and three Bosnias: Muslim part, Croatian part, and Slovenian part... er, Serbian part.

So, this war is not going on for the division of Bosnia, because Bosnia is already divided. This war is waged for reunification of Bosnia into one state, which will never happen. Simply we should be transformed into sort of Benelux, a community of states, and with a just delimitation, demarcation, and partition so that we transform into three states. And if the international community supports this idea, then Muslims would give up of having the whole Bosnia under their own domination.

The main cause why we have not ended this war is unrealistic position of Muslims, their own wish to make big unitary Bosnia under Muslim domination. And it would be an Islamic fundamentalistic regime in Europe. You Germans would also have big trouble because of terrorism, if you allow Muslims to take the whole Bosnia under their own domination.

[Correspondent] The UN soldiers are in a very bad situation in Bosnia-Herzegovina. The Muslims do not want them any longer, the Croats want to kick them out, and the Serbs took them as hostages. Is there any future for the blue helmets in Bosnia-Herzegovina, or should they go home?

[Karadzic] We have taken them as war prisoners, not as hostages, because their own commanders have ordered the bombing. He cannot be impartial on the ground and hostile in the air. So, he was responsible for their own detention.

As a matter of fact, if we are approaching political solution, we may need UN forces to implement, but if the international community wants this war to continue, then United Nations should not stay in, NATO should not come in, and we should be left to resolve this crisis by military means, although I am strongly for the political rather than military means.

So, if the international community wants us to end this war politically, we may need blue helmets. But if not, then they should go and we offer them to withdraw through the Serbian territory. They do not need any other protection, we will protect them.

Commentary Praises Increased German Engagement

AU0607194495 *Ljubljana OSLOBODJENJE (Europe edition) in Serbo-Croatian 6-13 Jul 95 p 1*

[Commentary by Zija Dizdarevic: "The Germans Are Coming"]

[FBIS Translated Text] The Bundestag's decision to send German forces to join the rapid reaction contingent is one of Bonn's most significant moves since the fall of the Berlin Wall. The Bundeswehr contribution to the new multinational units will comprise Tornado aircraft, equipment for military hospitals, and 1,700 troops.

So far, the Germans have extended logistics support to the UN Protection Force and intelligence support to NATO and have participated in humanitarian air drop actions. The Bundestag has limited the German troops' engagement to protection. However, it is logical to say that the nature of the contingent that the Germans are about to join makes them a part of the combat formation. This is an extremely significant military-political fact.

This prompted the Chetniks to start wailing on St. Vitus's Day. On 4 July, in Serbia and elsewhere, this was the topic discussed. The Greater Serbian counter-propaganda is based on Germany's key role in the international conspiracy against the Serbs. By screaming about German crimes, they would like to conceal Serbian Nazi-fascism; by recalling concentration camps, they would like to conceal Milosevic's and Karadzic's death and torture factories.

Bonn has been essentially involved in events in the south Slav region since the beginning of the crisis. The tragedy in the region is an important test for Germany, which is in the process of finding its global position. It has a stake in whatever Europe undertakes; it is the main ally of the United States and a crucial subject in the West's dialogue with Russia. It seems that Washington is increasingly encouraging Bonn's activities in Bosnia-Herzegovina to avoid further involvement and clashes with Paris and London, and to hand over representation of U.S. interests to the Germans.

The Germans are in the Contact Group, they sponsored the Federation, and they are the caretakers in Mostar. Now they have become involved militarily. However, this is primarily a significant political fact. Namely, the fact that they have taken on a share of military responsibilities will oblige them to participate more on the political front. Therefore, their responsibilities have expanded, and that is good.

In the avalanche, intertwining, and clash of all sorts of interests in the area, Germany will be in a significantly advantageous position in comparison to others

once peace returns to Croatia and Bosnia-Herzegovina. Bosnia-Herzegovina emigrants and refugees in Germany, and former and future economic ties are evidence of our undeniable interest in excellent relations with Bonn. In any case, judging by everything, Germany is perhaps the only serious state, and Helmut Kohl is evidently the only serious European and international statesman.

EU Mediator Bildt Predicts More War

AU0607173895 *Paris AFP in English 1633 GMT 6 Jul 95*

[FBIS Transcribed Text] Sarajevo, July 6 (AFP)—The European Union mediator Carl Bildt on Thursday [6 July] predicted the situation in Bosnia would get "more complicated in the immediate future" and held out little hope for progress on political talks between the country's warring parties.

"I think we are in a complicated situation which is likely to get more complicated in the immediate future. There might be a solution but it is not immediately at hand," Bildt said.

The former Swedish prime minister was in Sarajevo for talks with the Bosnian authorities as part of his on-going efforts to restart the political process in Bosnia where fighting has erupted across the country.

Repeating an assessment given some days ago, Bildt said there would be "more war in Bosnia rather than peace." Fighting spread to the eastern enclave of Srebrenica on Thursday where heavy clashes with tanks, artillery and mortars erupted early in the morning.

Bildt also called for both the Bosnian government and the Bosnian Serbs to come to the negotiating table but said he saw little chance of this happening in the near future.

"There must be recognition by all sides that there is not going to be a military solution to this conflict and at the end of the day, everyone will have to sit down and sort out the political issues," Bildt said.

"And the sooner that is done the better it will be because to prolong the conflict...is only going to increase the suffering that is a burden on everyone," he added.

Places Hopes on Milosevic

LD0607193795 *Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 6 Jul 95*

[FBIS Translated Text] [Words indistinct] today received Carl Bildt, the representative of the EU and the International Conference on the Former Yugoslavia. The meeting focused on the difficult humanitarian situation

in the UN protected zones, which calls for urgent action. The status of UNPROFOR [UN Protection Force], the rapid reaction force, and the Contact Group's plan were also discussed.

The Bosnia-Herzegovina state delegation [words indistinct] Contact Group's plan. It was confirmed that by imposing the arms embargo on Bosnia-Herzegovina the international community assumed a responsibility that it has not lived up to, as well as complete responsibility for the protection of the security zones.

Today's meeting was described as good, frank, and constructive.

Talking to journalists shortly afterward, Carl Bildt revealed some details. Mladen [surname indistinct] has a report.

[Correspondent] Following Carl Bildt's news conference today one is left with the impression that the blond Swede did not offer anything new. Not much should be expected from him anyway, because he constantly repeated that there can be no military solution and that negotiations are necessary. The sooner they start, the better, Bildt said.

In Lord Owen's style, the peace negotiator [word indistinct] said that he is against the lifting of the arms embargo on the Bosnia-Herzegovina Government because, he believes, that will only worsen the situation.

Asked whether he thought that the situation in Sarajevo and other protected zones will change, seeing that the humanitarian situation is critical, [words indistinct] Bildt said: Yes, I think we should be very concerned about the situation in Sarajevo. This is our primary concern.

The next question was whether the Contact Group's plan is still standing. Bildt answered in [word indistinct] that it is still standing inasmuch as it exists, and possible changes can be discussed only with mutual consent. No mission, mine included, can succeed unless the interested sides reach an agreement, Bildt said.

In translation, this means: I am not a magician to bring peace. The only thing we can do is for the international community to make possible new contacts and come up with new ideas.

Asked whether he believed that the peace negotiations can be resumed, seeing that Pale is stubbornly rejecting the peace plan, he said that he was in constant touch with Serbian President Milosevic.

It is obvious that Bildt believes Milosevic, because he said that Milosevic was a significant key in the process of solving the situation. He did not rule out a visit to Pale. A new, third meeting with Milosevic can be expected soon, Bildt said.

Bildt's answer to most of the serious questions was that he is not competent to comment on that. The Swedish diplomat again stressed that food supplies for Bihac and Srebrenica were currently the priority issue.

Article Belittles Bildt's Diplomatic Skills

AU0707073095 Pale GLAS SRPSKI
in Serbo-Croatian 30 Jun 95 p 2

[Commentary by Ilija Guzina: "Bildt-ization"]

[FBIS Translated Text] Finally Carl Bildt has stated that he will talk with president of the Serbian republic Radovan Karadzic, only he did not know when. Bildt is behaving as if somebody in Pale were eager to see him, so now he is promising to go there, but not immediately, which means, I suppose, when the Serbs start behaving themselves.

In fact, Bildt, as if he were a pupil, has been given a task and he will go to Pale not when he wants to, but when he is ordered to. We, of course, know that and we also know when he was told to appear in the Serbian capital. Bildt, however, is no diplomat, because he is simply far too ambitious and even more clumsy for that. Otherwise, he would not have made such an idiotic statement at his inauguration: That he would not negotiate with the Serbs in the Serbian Republic, which means that he would not negotiate with one of the two warring factions, even though he came here to halt the conflict between the warring factions in the first place.

How to halt the conflict without involving both sides in negotiations is not known yet. And the new mediator does not know that either, but he has heard somewhere in his contacts that the Serbs should not be allowed back to the negotiating table yet, and he simply blabbed out this nonsense, causing a shock among those who had brought him there, who could not believe that this pretentious careerist can consider things in such a shallow way.

After all, Bildt was committing diplomatic follies even when he was the Swedish prime minister, almost precipitating a war with Russia because his military intelligence sources informed him that sounds like those made by submarines were heard in Swedish territorial waters. In a manner typical of overambitious and pretentious politicians, Bildt rushed to warn Yeltsin not to send submarines into Swedish territorial waters, otherwise there could be trouble. Yeltsin is supposed to have laughed at all this, but relations between the two countries turned rather chilly. Later, those same intelligence sources within the Swedish Army established that the suspicious sounds were emitted by—believe it or not—seals. So it was seals that triggered Bildt's political decline, because it turned out that everything that he did

was done without the knowledge of any of his ministers, the government, or even the defense minister. Because of similar improvisations, Bildt also experienced failure in the Conservative Party which he leads. This party used to hold approximately 20 percent of the vote, while now its support has halved. Even the communists have more supporters than they.

Bildt's wife, daughter of a distinguished Swede, who led the Conservative Party for a long time only to hand over the party's helm to his newly acquired son-in-law, has left her husband Carl Bildt. According to her, the reason is his career, which she finds quite disappointing, but there are also some other, private things about him. So, after all this, the former Swedish prime minister, who has messed up both his private and professional life, has been taken out of limbo by the Europeans and particularly the Americans at the moment when he was about to sink without trace, and has been given a chance and ostensibly major responsibility. Of course, everybody knows that Bildt will be extremely obedient and that his attitude will be as his employers want it to be. Therefore it is more than clear that the end of the war in former Bosnia-Herzegovina does not depend on Bildt, but rather on the United States, Germany, and now, even more than before, France, Russia, and even England. If they want the war to stop, it will be over quite soon.

As for the latest initiative of French President Jacques Chirac, even though many have assessed that there is nothing new in it, it is remarkable that Chirac is insisting on the division of Bosnia according to the formula 49 to 51, but he does not mention the Contact Group plan. Does that mean that the great powers have finally understood that, since it is already being demanded from the Serbs that they relinquish part of their territory, it is really stupid to demand that they give up as many as 13 towns just like that and for no particular reason? It is more natural to ask the Serbs what they would prefer to relinquish to the Muslims and the Croats. Which may bring about a final settlement as well. It does not work otherwise.

Sacirbegovic Says 'Better' for UN To Pull Out

AU0607123095 Vienna NEWS in German 6 Jul 95
p 66

[Interview with Bosnia-Herzegovina Foreign Minister Muhamed Sacirbegovic by an unidentified NEWS correspondent in Zagreb; date not given: "Should We Die of Thirst?"]

[FBIS Translated Text] [NEWS] The Bosnian Army is trying to free Sarajevo, yet the United Nations has condemned this action.

[Sacirbegovic] The international community—whatever that means—is asking our forces to end all hostilities, even though our offensive is an act of self-defense, desperation, and, if you like, a humanitarian action to free the citizens of Sarajevo. All we can do is to try to break the siege of the city.

[NEWS] The offensive could become an act of suicide.

[Sacirbegovic] Maybe, but what else can we do? There will be victims in any case. The supply situation of Sarajevo is disastrous. We are even running out of water since, weeks ago, the Serbs cut the power line to the waterworks at Ilidza. A single pump should supply 300,000 people with water, but the pressure in the pipes is so low that the water is not reaching people's homes. This is why people have to fetch water from cisterns, but even those do not provide enough water. Not only are the Serbs constantly firing at people lining up for water, but the water supply will completely collapse once the summer heat really sets in. Sarajevo will gradually die of thirst. Are we supposed to watch this and do nothing? Moreover, winter will be coming again soon and what then? Better to have victims as a result of the offensive than people dying of thirst and starvation.

[NEWS] Have you given up hope for UN aid?

[Sacirbegovic] The question is: What can the United Nations still do? The Blue Helmets can neither feed nor save the population. Nor are they able to protect themselves. Under these circumstances, it would be better for the United Nations to pull out.

[NEWS] What do you expect from the "Rapid Reaction Force"?

[Sacirbegovic] It remains to be seen what these forces will be able and willing to do.

[NEWS] Do you think that the arms embargo will be lifted?

[Sacirbegovic] We do not expect it. America wanted to support us and hopes have also increased with the new French Government and the new president. This only leaves Britain to object vehemently to the lifting of the arms embargo.

[NEWS] The U.S. Congress has mentioned the figure of 50 billion schillings in arms assistance.

[Sacirbegovic] These figures are nothing but a list. The 50 billion is a Pentagon estimate of what Bosnia would need to be perfectly equipped. The intention behind mentioning this figure was to confuse and discourage Congress. In a smart move, congressmen were made to worry about the costs of the assistance so as to create a basic negative mood.

[NEWS] Do you expect more support from Islamic brother countries?

[Sacicbegovic] Yes, but we are open to all sides. We feel like people of the East and the West.

Article Claims Zagreb Sending Troops to Sarajevo

AU0607125495 Belgrade VECERNJE NOVOSTI
in Serbo-Croatian 5 Jul 95 p 4

[Article by B. Maric and G. Maunaga: "Tudjman Wants Bascarsija"]

[FBIS Translated Text] Sections of the 4th and probably the 1st Guard Brigades of the Croatian Army are already in the Muslim part of Sarajevo. They came to the city via Mt. Igman and through the tunnel dug under the airport in the Sarajevo district of Butmir three years ago.

The arrival of professional troops of the Republic of Croatia in Sarajevo has been confirmed by sources of the army of the Serb Republic [Serb-held entity in Bosnia-Herzegovina]. According to their estimates, there are between 250 and 300 members of the 4th Guard Brigade from Split stationed in the capital city of former Bosnia-Herzegovina.

The VRS [army of the Serb Republic] sources did not say anything about the numbers of the 1st Zagreb Guard Brigade of the Croatian Army in Sarajevo. Estimates that there are about 2,000 of them there, judging by everything, are grossly exaggerated.

Assault Role

Vladimir Soljic, defense minister in the Croat Republic of Herzeg-Bosnia, has also indicated, albeit indirectly, that regular, elite forces of the Republic of Croatia are "approaching" the Sarajevo front.

He told Herzeg-Bosnia Radio the day before yesterday that the Muslim army [Bosnia-Herzegovina Army] and the Croatian Defense Council [HVO] will enter Serb Sarajevo "by hook or by crook!"

The deployment of the forces of the Republic of Croatia on the Sarajevo front via Herzeg-Bosnia and the Muslim territory in Bosnia-Herzegovina is linked to the blockade of 2,000 French legionnaires from the Rapid Reaction Force, who are on the way to Gornji Vakuf from Tomislavgrad

VRS sources claim that the legionnaires are blocked so that, away from their eyes, the Croatian Army can reach the Muslim part of Sarajevo unhindered.

According to Serb military sources, the Croatian Army should take over the HVO's role on the Sarajevo front.

As is known, HVO units have refused to join the Muslim army in the current offensive on Serb Sarajevo.

HVO Brigadier Ivica Rajic refused to carry out the orders of the HVO General Staff and the Joint Command of the Croat-Muslim army in joint operations with Muslim units during their attack on Ilijas.

In addition, units of the guard brigades of the Croatian Army are the best trained and equipped units in the armed forces of the Republic of Croatia. Some of them have been specially trained for city and street fighting.

What is also very important is that the guard units of the Croatian Army are assault units. This means that their main task in Sarajevo, as it was on other fronts where they took part in the fighting, is to breach the opponent's lines of defense.

"Mother of All Battles"

The deployment of the regular forces of the Republic of Croatia on the Sarajevo front and the concentration of additional troops of the Muslim army in the area around Visoko and Breza indicate that the decisive battle for Sarajevo is yet to take place.

The fact that Franjo Tudjman has approved the dispatch of some of his best units to the Sarajevo front shows that the Croatian Army General Staff headed by General Janko Bobetko takes the view that the battle for this city could be decisive for the outcome of the war not only in the former Bosnia-Herzegovina but also in the former Croatia.

In addition, with the participation of Croatian Army units in the fighting for Sarajevo, the Croats want to show that they have not given up this city, from which Muslim troops at the end of last year and the year before last completely expelled the HVO.

The only way in which parts of Sarajevo can become Croatian is if the Croatian armed forces, the Croatian Army and the HVO, take part in the fighting and if they possibly defeat the VRS on the Sarajevo front.

The Serb units on the Sarajevo front will obviously again find themselves in a difficult situation. Izetbegovic's and Tudjman's troops will attack, most probably on both inner and outer rings of the Serb defense of Sarajevo.

The army that loses this battle will probably not be in a position any longer to start any new serious attack, regardless of whether it is to attack or defend Sarajevo.

[Box, p 4]

Command

Before they started the joint offensive on Serb Sarajevo, there was a rift among the units of the Muslim army and sections of the guard brigades of the Croatian Army. Croatian troops are refusing to obey the orders of the Muslim army officers.

Official: HVO, Army Capable of Beating Serbs

AU0607171495 Zagreb HRVATSKI OBZOR
in Serbo-Croatian 3 Jul 95 pp 32-33

[Interview with Ignac Kostroman, head of the political administration in the Defense Ministry of the Croatian Republic of Herzeg-Bosnia, by Ivica Djikic; place and date not given: "HVO—Guarantor of Croats' Survival in Bosnia-Herzegovina"]

[FBIS Translated Excerpt] The war in Bosnia-Herzegovina has once again flared up in all its fury. On many fronts, fierce battles are being waged that will determine the future of Bosnia-Herzegovina; however, the most interesting and significant battles are those on the Livanj, Grahovo, Glamoc, and Sarajevo fronts, where joint Croatian Defense Council [HVO] and Bosnia-Herzegovina Army units are gaining substantial territory, something that could be an introduction to the liberation of the entire territory of Bosnia-Herzegovina. The latest escalation of the conflict in Bosnia-Herzegovina and the success of the Croats and Muslims prompted this interview with Ignac Kostroman, head of the political administration in the Defense Ministry of the Croatian Republic of Herzeg-Bosnia. [passage omitted]

[Djikic] Lately, the HVO has had significant success on the Livanj, Grahovo, and Glamoc fronts. What has the HVO achieved and what are the objectives of the operation in the region?

[Kostroman] HVO units have liberated a significant part of the territory in just a few days of intense fighting; they have also inflicted heavy losses on the Serb army. It is particularly significant that the HVO troops have liberated all of the more significant peaks in the area; peaks on Mt. Dinara, Mt. Golija, Mt. Staretina, and the most important strategic position in the area—Mt. Sator. From these positions, the HVO now has the possibility of acting in various directions. On one side, it has the possibility of breaking through to Bihac, on the other side, it has the possibility of breaking through towards Jajce; there are also several other possibilities.

The HVO operations on the Livanj, Grahovo, and Glamoc fronts have three main objectives. The first is to prevent the formal unification of the two parastates

created on the occupied territories of the Republic of Croatia and the Republic of Bosnia-Herzegovina—Martić's Krajina and Karadžić's Serb Republic—whose military forces are acting together and helping each other. The objective, therefore, is to sever their direct contact and to have control over the borders of the internationally recognized state of Bosnia-Herzegovina. The second objective, one for which the HVO on this front switched from active defense to offensive action, is to alleviate the situation on the Posavina front, where heavy fighting has been in progress for over 50 days and where the Serbs have massed immense forces. The third objective is to move the towns of Livno and Kupres outside Serb artillery range, because we cannot allow them to terrorize daily the civilian population in these towns.

[Djikic] Can you list examples of joint operations by the armies of the so-called Republic of Serb Krajina and the Serb Republic?

[Kostroman] These two military formations are so intertwined and connected that we consider them a single army. Their joint activity is primarily apparent in their sabotage units that are trained in the Alfi camp near Benkovac. They are trained by Colonel Bosko Peulic, known for ordering the execution of 23 HVO troops on Mt. Vlasic. Of course, they also have joint logistical support, Serbia. Lately, the influx of volunteers from Serbia to fronts in Bosnia-Herzegovina and Croatia is significantly smaller since only a small number return alive and healthy. The Serbian army is plagued by a chronic lack of manpower; this is confirmed by the decision to execute anyone guilty of desertion. [passage omitted]

[Djikic] Intense battles are being waged around Sarajevo. Are HVO units helping the Bosnia-Herzegovina Army in operations aimed at lifting the city siege?

[Kostroman] The HVO is not only helping the Bosnia-Herzegovina Army in battles around Sarajevo, we are also coordinating our joint operations because we consider Sarajevo to be a Croat city as well. Our objective is to make easier the lives of Sarajevo citizens who have been under Serb siege for three years; the siege has become intolerable, and this operation is the only way to guarantee survival for the Sarajevans. We hope that the lifting of the siege will succeed and that people will begin to lead more or less normal lives.

[Djikic] Were the latest HVO and Bosnia-Herzegovina Army operations really planned, carried out, and coordinated jointly, or is everyone still doing their own thing, that is, in their respective interest areas?

[Kostroman] I can say with pleasure that the military arrangements and cooperation between the HVO and the Bosnia-Herzegovina Army have been better than the political agreements between Croats and Bosniaks. The Joint Command was formed immediately after the signing of the Washington Agreement; in its initial phase, it was supposed to eradicate entirely the tensions between the Croats and Bosniaks and, in its second phase, it reached an agreement on coordinated military activity. When, today, we speak of the military operations of the Bosnia-Herzegovina Army and the HVO, you can be sure that none of this is happening accidentally. Even when the Army or the HVO are acting alone in an area, there exists an agreement on joint actions, all in the name of stretching the Serb army to its maximum. In this way, we prevent the Serbs from concentrating large forces in a small area, that is, from launching an offensive on areas under either HVO or Bosnia-Herzegovina Army control. The Army and the HVO are today significantly more mobile than the Serb army and are capable of striking where the Serbs least expect it and where they are at their most vulnerable.

[Djikić] The HVO and the Bosnia-Herzegovina Army are employing a new war strategy—coordinated action and the maximum stretching of Serb forces. Did high-ranking U.S. officers suggest this strategy, as implied by foreign papers?

[Kostroman] The Croats and the Muslims are primarily acting in their own interests and are agreeing on all issues important for Bosnia-Herzegovina. We need to stress the Republic of Croatia's role in signing the agreement on the federation and in aiding the achievement of certain military agreements. Moreover, it is certain that the international community, primarily the United States, have helped Bosnia-Herzegovina organize a strong military power comprising the Bosnia-Herzegovina Army and the HVO. You can be certain that these two joint armies will soon be capable of liberating all of Bosnia-Herzegovina.

[Djikić] You have said that the military cooperation between the HVO and the Bosnia-Herzegovina Army is moving faster than political agreements between the Croats and Bosniaks. Will military success influence the speedier setting up of federal institutions?

[Kostroman] Some processes regarding the setting up of the federation are going faster, others more slowly. These processes are speedier at the military level and there are shifts daily. The military component is creating the state and defending it, and that is why I believe that the joint military successes of the HVO and the Army will have to result in a speedier setting up of the

Croatian-Bosniak Federation and the establishment of trust between these two peoples.

[Djikić] Are there any areas in Bosnia-Herzegovina where there are still misunderstandings between the Croats and Bosniaks, and is there a chance of fresh conflicts breaking out?

[Kostroman] Incidents are still occurring in certain areas, but there is no longer any chance of an armed conflict breaking out between the HVO and the Bosnia-Herzegovina Army. Wherever incidents occur, they are immediately localized, because both sides are aware what a new conflict would mean. [passage omitted]

[Djikić] Mr. Kostroman, the HVO has grown from a village sentry into a modern, organized, and respectable military force in a relatively short time. Many domestic and foreign military experts and analysts believe that the HVO is the crucial element in the defense of Bosnia-Herzegovina, that is, the defeat of the Serb army. How would you interpret such compliments on the HVO's account?

[Kostroman] I am glad that others think of us in this way. I must say that a lot of effort, sacrifice, and funds have gone into what the HVO is today. I believe that the HVO is a force that essentially tips the balance in the Bosnia-Herzegovina military situation to the advantage of the Croats and Muslims. The HVO is the guarantor of the Croatian people's survival in Bosnia-Herzegovina, and it is a force that, together with the Bosnia-Herzegovina Army, is capable of defeating the Serbs and liberating all of Bosnia-Herzegovina.

Opposition Leader: RS To Mobilize 60,000

*AU0707085095 Belgrade NASA BORBA
in Serbo-Croatian 1-2 Jul 95 p 7*

[Article by Rade Radovanovic: "Draftees Are Supposed To Defend War Profiteers"]

[FBIS Translated Text] In order to get to our editorial board and inform the public of Serbia on some facts and the current situation, which the Serbian media are persistently ignoring, one of the opposition leaders from the Serbian Republic [RS] has entered Serbia illegally. Any such attempt, he says, could mean his immediate removal to the front, or to one of the assembly camps where "volunteers" captured throughout Serbia are arriving in large numbers these days. Our guest asks us not to reveal his identity, for his own safety and that of his family.

"You have to understand that in the RS there is total chaos, and nobody can guarantee anything to anybody! The one-party, illegal and illegitimate authorities have

introduced total censorship, total darkness, in which it is not only impossible to see or hear anything, but people are also literally vanishing. Both on the front and at home. Recently one of the dirtiest stains on the reputation of the RS interior ministry has been uncovered—the murders at Bronzani Majdan and around Banja Luka for money. The Serbian police killed some Serbian citizens for gain, so you see for yourself what kind of freedom or security we have for our lives, let alone for political activities," our guest tells us.

People Against the War

He also maintains that citizens are against the war, and there is a prevalent feeling of despair in the conditions of general mobilization. "The war must be terminated either peacefully or forcefully, all the more because it is not being waged by the people, but rather by the leadership, which adjusts its intensity to suit its interests and goals," says our guest.

Convincing us that the opposition in the RS is against the forced mobilization that is under way in Serbia, our guest tells us the estimate according to which around 35,000 people who fled the RS and the Republic of Serbian Krajina [RSK] have already been mobilized and transferred to the local assembly camps.

"Many of those people are not refugees. They had to leave because they remained homeless, without jobs, or conditions for living, or simply because they were being humiliated or harassed when the worst ones came to power in the RS or RSK. The authorities banished those Serbs because they did not need them. Much more important were war profiteers and criminals who were making profits. And now the people who in most cases have nothing left in the RS, the family men, who have two or three children waiting for them in Serbia, are being mobilized to defend private firms or gas stations owned by war profiteers. Perhaps you are familiar with this, but along the road from Sremska Raca to Bosanski Novo, which is 400 kilometer long, 56 new gas stations have been erected including groceries, shops, services.... All this has been built at the time when the most severe battles were fought on the front, while now those draftees are supposed to defend all that, to defend the newly acquired capital and interests, economic as well as political, of war profiteers, rather than their own lives and the lives of the poor," our guest says.

Karadzic Is Doing All This for Money

For our anonymous visitor, war profiteers are all those who did not have anything before the war, and who remained in the RS and the RSK engaged in looting and banishing of those same citizens whom they are now summoning back to fight. We have to be honest and

admit: Thousands of Serbian homes have been looted and set on fire by Serbs! Because, while some are being mobilized and sent to the front, civilian and military police, whose duty is to protect private property, are looting their homes together with criminals. You will hear quite often people saying: "If it had not been for Milosevic's sanctions, not a single TV set, or video-recorder, or air-conditioner would have remained in the RS, and everything would have been channeled to Serbia overnight and sold there for 100 German marks apiece."

In his reflections our visitor does not spare the RS president either:

"Karadzic controls around 85 percent of all financial transactions between the RS and Yugoslavia. He has subjected everything to financial interest, and he leaves nothing to chance when money is concerned. Everybody is expected to work for him, to render accounts to him and bring in money! Marko Vesovic is right when he says that Karadzic has never been a nationalist, and that he has nothing against the Muslims. Karadzic is doing all this for money!"

Let us get back to the issue of mobilized "volunteers." The opposition leader from the RS tells us that they are having "a hell of a good time" in assembly camps right now, before they are sent to the front:

"Those people there are exposed to all sorts of terrorization: physical, psychological, political.... In Manjaca, for instance, which is now a camp for the Serbian draftees—and we could call it a Serbian Goli Otok [an island in the Adriatic previously used as a prison for political misfits during the communist rule]—men are being tortured and harassed by military and civilian police, as well as by the army staff in general.... That is a great evil and tragedy of which you know nothing here!"

Furthermore, we are told by our visitor that in the RS there are plans anticipating the mobilization of around 60,000 people. He reminds us of [Vojislav] Seselj's rally in Banja Luka, when Karadzic said that they did not need any other aid from the FRY but the return of 80,000 draftees that were at the time in Serbia. After an agreement was reached between Belgrade and Pale (the bargain was: for each captured UNPROFOR soldier—100 mobilized draftees in Serbia!) that plan is coming to realization, while its real intent is: First, the goal is to strengthen the negotiating position of the RS and RSK, because as soon as the FRY recognizes Bosnia-Herzegovina it will not be able to deploy a single soldier there, or send a single bullet! Second, this is an attempt to settle abandoned territories. They reckon that, if they forcefully mobilize and deploy men there, their women and children will follow them, without asking

themselves where and how they will live, what they will eat....

The opposition leader from the RS is convinced that the FRY will soon recognize Bosnia-Herzegovina. He says that the public has already been prepared for that, because Seselj and his flock, who are the main opponents to recognition, are in jail. Besides, summer vacations are nearing.... "For me and my party, as well as for a great part of the opposition parties in the RS, the recognition of Bosnia-Herzegovina by the FRY is a fact and reality that we accept, just as we accept the fact that Bosnia-Herzegovina has been recognized by the greatest world powers, and recently even by China and Russia.... We are preparing ourselves for political activities in this new reality, because in any case it is better than to shout battle cries. After all, the leadership in Pale is aware of that and is preparing for it as well, while their persistent 'No!' to the Contact Group plan is meant for use at home, rather than abroad with international factors," says our guest.

He concludes that now it is most important to halt the war, to halt the further killing and suffering of the people on all three sides, and only thereafter to call free elections that would bring about new forces on the political stage on all sides, after which everything will take a new course.

He also points out that among the Serbs in the RS there are political forces that support the Serbian Civic Council [SGV] in Bosnia-Herzegovina, as well as the Independent Serbian Party in Croatia, with which first contacts are being established.

To our remark that the leadership in Pale refers to the SGV as Alija [Izetbegovic]'s Serbs and the Serbian traitors, our visitor says:

"To me every man, every politician on any of the three sides, who has contributed to the people's well-being in this war in any way and to any extent is a hero, and in no way a traitor! For that reason I do not accept such terminology!"

Serb Attacks Around Bihac, Sarajevo Repelled

LD0607222095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 6 Jul 95

[FBIS Translated Text] All enemy attacks have been successfully repelled in the latest battles. In the 5th Corps zone of responsibility [Bihac area], the aggressor's losses include 47 dead and 60 wounded, as well as considerable losses in hardware and equipment. Given the intensity of the combat operations and the successes scored by units of the 5th Corps, the aggressor's losses are believed to be higher than those officially logged

and confirmed. All aggressor soldiers held as POW's are being treated in keeping with international conventions and warfare law.

An enemy offensive has also been checked and crushed in the Treskavica plateau [south of Sarajevo], where fighters of the Bosnia-Herzegovina Army have inflicted heavy losses in manpower on the chetniks. The firm defense of their most forward positions, taken in recent days, on the Trnovo battlefield has enabled our units to launch effective counterattacks. In the wider area of Illova, the chetniks have suffered considerable losses in manpower. Bearing in mind the effectiveness of our fighters in carrying out their operations, the death toll of Chetniks is estimated at 36 in this zone alone, while a far larger number of wounded have also been put out of action.

Serb Intentions Near Srebrenica Assessed

*AU0707123895 Paris AFP in English
1226 GMT 7 Jul 95*

[FBIS Transcribed Text] Sarajevo, July 7 (AFP)—Fighting around Srebrenica, the government-held enclave in eastern Bosnia, has eased after a furious attack by Bosnian Serb forces, according to UN officials, who said the Serb attack "could be limited."

Heavy rainfall in the area may have dampened the fighting, said UN spokesman Lieutenant Colonel Gary Coward. He said that the Serbs' objective appeared to be limited to certain high ground to the south of the enclave.

Serbs launched their attack in the early hours of Thursday firing rockets into the town of Srebrenica. Tank, artillery and mortar fire directed at front lines to the north, south and west of the enclave followed.

Throughout Thursday, the town and outlying areas were also targeted killing two civilians and wounding six. Two shells hit a UN observation post in the south of the pocket destroying its watch tower, Coward said.

The high ground dominates a Serb-held road running close to the southern fringe of the enclave from where government forces are able to fire on passing vehicles Coward said.

"Only time will tell if this is their (Serbs) primary focus. It was still relatively quiet this morning (Friday) but this could be because of the weather," Coward said.

Though the Serbs had brought tanks and troops into the area, the spokesman said the Serbs would need "considerably more forces" in the area if their aim was to take the enclave.

Srebrenica is one of three government enclaves in Serb-held eastern Bosnia which the Bosnian Serbs are desperate to eliminate. They lie across several key road junctions and remain a thorn in the side of the Serbs.

The population in the enclaves, Srebrenica, Zepa and Gorzade, are reliant mainly on humanitarian aid for survival, which the Serbs infrequently allow into the pockets. However, on Thursday one convoy carrying 72 tonnes [metric tonnes] of mixed food did reach Gorazde. It is the first aid delivery since May 20.

In Sarajevo UN officials complained that Bosnian Government restrictions on their movements in the city was hindering their ability to give an accurate picture of the situation in the capital.

Since government forces launched an offensive on front lines around the city, the UN peace forces have been severely restricted in their movements in Sarajevo and elsewhere in Bosnia.

"We as a neutral party are the only ones able to provide the international community with unbiased and precise information. Without this information it is impossible to assess the true situation on the ground," said UN spokesman Alexander Ivanko.

Ivanko's comments were made after a shell hit a residential area on Thursday killing two children. UN military observers in the city who in the past have helped confirm casualty figures and origin of fire were barred from investigating the incident.

The Bosnian Serbs have long blocked the work of the UN forces in Bosnia, to the extent of not allowing them into the areas under their control. Restrictions by the Bosnian authorities is a relatively new development in Sarajevo which has begun to seriously affect the already crippled mission.

Also in Sarajevo the UN reported two mortar attacks on Egyptian peacekeepers. One exploded in front of the Egyptian peacekeepers base in the city, the other close to one of their armoured personnel carriers.

In a separate incident, a UN convoy was targeted by artillery or mortar fire in Ribnica, central Bosnia. The round exploded close to one vehicle, reportedly killing a civilian standing close by.

Serbs Forcibly Mobilizing Banja Luka Croats

AU0707084995 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 0800 GMT 7 Jul 95

[FBIS Translated Text] The vicariate of the Banja Luka Bishopric in Zagreb has announced that the Catholics in the Banja Luka area, in addition to forced labor, have recently been forcibly mobilized into the [Serb]

aggressor army. Some 300 Catholics have received notification that they are to report to the aggressor army's units by 15 July; some of them—including minors—have already been taken.

Bishop: Banja Luka 'Forgotten'

AU0707080595 Vienna Oesterreich Eins Radio
Network in German 0500 GMT 7 Jul 95

[Interview with Franjo Komarica, Roman Catholic bishop of Banja Luka, by Karl Jekowski in Banja Luka; date not given—recorded]

[FBIS Translated Text] [Studio announcer] Before the war, some 300,000 Catholic Croats used to live in the Banja Luka region, which is now part of the Serb-controlled areas of Bosnia. Almost all these Croats have fled or been expelled over the past three years. Yet, some 25,000 still live there. Since Croatia's recapture of western Slavonia and the flare-up of the war over the past few months, the Serbs have increased the pressure on the Croats living there. Churches have been blown up and priests and nuns killed. The unofficial leader and patron of the Croatian community, Franjo Komarica, has been under house arrest for two months.

Karl Jekowski had the opportunity to visit him and the bishop once more complained that he and the people there have the feeling that they have been forgotten by the world.

[Komarica] None of the leading European politicians can now find excuses and say: I do not know what is going on in Banja Luka. That people there, absolutely innocent people, are being exposed to terrible suffering, that these people have been stripped of their rights, that they are even denied basic human rights. I am asking everybody and I do not tire of asking: Why, why? Why are we being treated in this way? Why are we being driven away from our apartments, from our houses? Why do you kill us? Poor, old women have been killed in their own homes here in the community of Banja Luka. Our neighbors here, Serbs, keep telling us: You are not guilty of anything. But, still, you have to go.

We cannot hold church services here, not even in the cemeteries, because we are not allowed to. I have asked the mayor—several times in writing—I have also asked the [word indistinct], I have asked higher-ranking politicians: For God's sake, you are Christians, too. You are Orthodox Christians. Why do you not let us Catholics, absolutely innocent Catholics, also celebrate mass? I have never received an answer.

But now they have come up with something new. Wherever our churches and chapels have been destroyed, we

are not even permitted to celebrate mass in some kind of catacomb.

[Jekowski] How do you see your future?

[Komarica] Optimistically, certainly with hope. I firmly believe in the victory of good.

Food, Medicine Shortages Reported in Bihac

AU0607174295 Vienna Oesterreich Eins Radio
Network in German 1600 GMT 6 Jul 95

[Report by Werner Heritsch, including recorded radio statements by Mirsad Veladzic, chairman of the Bihac region, in Serbo-Croatian, with superimposed German translation]

[FBIS Translated Text] [Announcer] Heavy fighting between Bosnian Government troops and Bosnian Serbs in the UN protection zone of Srebrenica makes it difficult for EU mediator Carl Bildt to advance the peace process. Whereas the troops fought and the politicians continued their talks, 13 people starved to death in Srebrenica last week. Fierce fighting also occurred in Bihac, the Muslim enclave in northwestern Bosnia. Yet food supplies transported by UN vehicles at least reached the town. Werner Heritsch succeeded in establishing radio contact with Bihac.

[Heritsch] A total of 90 metric tons of relief goods were destined for the encircled population. However, the Muslim rebels [of Fikret Abdic] seized 13 metric tons of canned meat and oil. But the UNHCR [UN High Commissioner for Refugees] is relieved that the rest of the delivery reached the population. This is only a drop in the bucket, Mirsad Veladzic, chairman of the Bihac region, stated.

[Veladzic] We receive 1.5 kg of foodstuffs per capita every month. This means that 1.5 kg must last for 30 days. You can imagine what the chances for survival are here. We have approximately 60,000 refugees, 13,000 pensioners, 1,600 school children, and 1,400 sick people. Socially weak families, who used to rely on public support even before the war, are particularly hard hit. Approximately 100,000 people are in need. They need quick and adequate aid. What we receive at the moment is not sufficient to feed the population in the region for a single day.

[Heritsch] In the past few days, fighting increased considerably. Civilian targets have been particularly hard hit.

[Veladzic] There have been numerous injuries and casualties. Houses were heavily damaged. The population continues to starve, and the international community stands by and watches. People are virtually dying of

hunger here. Half of the population is at wits end. Others eat what they find in the woods, even though things are not yet ripe. This is a struggle for survival.

[Heritsch] When Veladzic appealed to the world community to finally stop the Serbian aggression, the connection was jammed. The radio operator in Zagreb knows what happened: Serbian jamming. A few minutes later, the connection was established on a different frequency. Mirsad Veladzic reported about the big problems regarding the treatment of the sick and injured. Medicines are scarce. The ones that are available are reserved for the seriously injured. Veladzic, who is responsible for over 100,000 people, has little hope that, in the near future, things will once more be as they used to be.

Silajdzic Requests Aid

LD0607213695 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 2000 GMT 6 Jul 95

[FBIS Translated Text] A state delegation headed by Bosnian President Alija Izetbegovic and including Bosnian Prime Minister Haris Silajdzic and Minister Hasan Muratovic, chairman of the state committee for UN cooperation, today met UN mediator Carl Bildt. Coming up is Prime Minister Silajdzic's view of the talks.

[Begin Silajdzic recording] We told Mr. Bildt we lost our faith in the international community. It is not just our faith. Faith can only be restored by concrete action. At the moment, an example of concrete action is to supply Bosnia with food, particularly the besieged areas, and even more so Bihac and Srebrenica. As far as Sarajevo is concerned, the situation is very difficult. It is not critical as yet, but we are heading for a critical stage. Hence, if the international community wants to restore, at least partially, the faith it has lost here, then that is the way to do so—immediately find a way to supply the enclaves, the besieged areas, with food and medicine. [end recording]

Aid Convoy Brings Supplies

AU0707125195 Paris AFP in English
1228 GMT 7 Jul 95

[FBIS Transcribed Text] Geneva, July 7 (AFP)—A humanitarian aid convoy reached the Moslem enclave of Gorazde this week, the first since May, the UN High Commissioner for Refugees (UNHCR) said from its headquarters here Friday [7 July].

The convoy of nine trucks brought in 78 tonnes [metric tons] of supplies on Thursday, but the 56,000 inhabitants who are "in an extremely desperate situation," need 772

tonnes per month, according to UNHCR spokesman Ron Redmond.

Relief workers planned to make another attempt on Friday.

Zepa, another Bosnian enclave surrounded by Serb forces, also received 46 tonnes of supplies on Thursday. The convoy of seven trucks was the first in a week.

As for the enclave of Bihac, Serbs allowed the first convoys in a week to pass through the sector controlled by

the pro-Serb rebel forces of Fikret Abdic on Wednesday.

"This is a step forward, but we need to get many more food convoys into Bihac before we can alleviate the desperate situation there," Redmond said. "We are only providing food to the most vulnerable of the vulnerable."

Valentic Wants Crisis Solved by 'Political Means'

AU0607133195 Prague HOSPODARSKE NOVINY
in Czech 4 Jul 95 pp 1, 11

[Interview with Croatian Prime Minister Nikica Valentic by Jirina Shrbena in Opatija; date not given: "Croatia Wants To Regain Occupied Regions by Political Means"]

[FBIS Translated Text] At the meeting with international negotiators Carl Bildt and Thornvald Stoltenberg in Zagreb on 2 July, speaking on behalf of his Croatia, President Franjo Tudjman set three conditions upon which Croatia would be willing to restart talks with the Krajina Serbs. They are bringing the Adria oil pipeline and Zagreb-Split railroad back in operation, and a strict application of the UN forces mandate. Following the Zagreb talks, the negotiators conferred yesterday in Knin.

HOSPODARSKE NOVINY asked Croatian Prime Minister Nikica Valentic in the Istrian summer resort of Opatija how Zagreb intends to regain the occupied regions, about the safety of the country in this year's tourist season, and the situation in Czech-Croatian economic relations.

[Shrbena] What kind of development do you expect in the integration of the occupied Croatian territory after 31 October, when the recently signed agreement on the deployment of UN forces in Croatia expires?

[Valentic] It should be the same as before this date—i.e., before the expiration of the UNCRO [UN Confidence Restoration Operation in Croatia] mandate. The Croatian Government will do everything in its power to regain the occupied territory by political means. In this respect, I am an optimist. It is obvious that, under the present circumstances, we must also contemplate our defense, but we still insist on reintegrating our occupied regions by diplomatic and political means. A country that is preparing for a war does not act like Croatia. If we wanted to settle this affair by military means, we would have done it concurrently with the limited operation in western Slavonia. And you can believe me that we would not need much time to liberate the occupied territory.

[Shrbena] What political solution of the reintegration of the Serb-occupied region of the so-called Krajina is acceptable to Croatia?

[Valentic] It is a solution that guarantees all rights to the local ethnic minorities and will be the beginning of economic cooperation.

[Shrbena] How would you assess the present state of economic relations between Croatia and the Czech Republic?

[Valentic] The Czech Republic is to Croatia a friendly country to which we have been tied by long tradition. The Czech Republic is well on its way toward returning to where it once stood, and toward regaining the status it once had. For myself, I am very interested in the progress of the transformation process in your country. Several times I have had the opportunity to talk privately with Prime Minister Vaclav Klaus. I closely follow the measures implemented in the Czech Republic within the framework of the transformation of the economy. We even apply some of the experience acquired by the Czech Republic. This includes, for instance, some moments in the implementation of privatization. Of course, we cannot just copy them but must modify them to our conditions.

The volume of trade between Croatia and the Czech Republic is low and does not correspond to the possibilities. The two countries do not have any bilateral problems, but the room in the economy is very empty. We should fill it as soon as possible.

[Shrbena] In an interview for our daily last year, you mentioned Croatia's interest in creating a free trade zone with the Czech Republic. Has there been any progress in implementing that?

[Valentic] Croatia is now creating its concept of free trade zones. We would like to join the Central European countries—i.e., the Czech Republic, Hungary, Poland, Slovakia, and Slovenia—that had already signed the appropriate mutual treaties, but this has been impaired by our higher taxes, which reflect the extraordinary expenses of Croatia. We expect to regulate them gradually this year so that we could join the free trade zone next year. There still is a lot of room for mutual cooperation, and that in our duty-free ports. I expect talks with the Czech Government on this topic. Privatization will provide yet another chance for Czech firms in Croatia. We will welcome Czech enterprises willing to invest in our country.

[Shrbena] Some 400,000 Czech tourists spent their holidays in Croatia last year. This year, after the military operation in western Slavonia, many of them gave preference to another country. Can you guarantee that this year's tourist season in Croatia will be peaceful?

[Valentic] Tourism, like a sensitive barometer, reflects all negative tendencies in the development of the economy and the country as a whole. The center of the political and military crisis is in Bosnia-Herzegovina. The war operations take place far away from the tourist regions. I can guarantee that all of the Croatian summer resorts, to which we invite tourists, are safe. The May 36-hour military police operation in western Slavonia was limited in extent, and its purpose was to clear

for use a section of the highway between Zagreb and Belgrade, which is the key link between central and southern Croatia and the east of the country. Croatia does not want to conduct any other offensive military operations.

UN Concerned About Croat-Krajina Troop Movements

*LD0607194695 Belgrade TANJUG in English
1910 GMT 6 Jul 95*

[FBIS Transcribed Text] Zagreb, July 6 (TANJUG)—U.N. spokesman Christopher Gunness said on Thursday that the U.N. force command in Zagreb was greatly concerned about troop movement near the zones of separation between Croatia and Serb Krajina in sectors north and south.

Speaking at a news conference at the U.N. force command in [word indistinct] Gunness said that the movement of a large Croatian army unit had been spotted a week ago near Jasenica pass, southwest of the town of Slunj in Sector North.

Troop movements have subsequently been reported also elsewhere in Sector North as well as in Sector South, especially in the vicinity of the Medak pocket and on Mt. Velebit, Gunness said.

He further said that the Croatian artillery was steadily shelling the village of Civljane, in the foothills of Mt. Dinara, some twenty kilometres east of the Serb Krajina capital of Knin, and that the Serb Krajina army was returning fire.

Tension is running high also in Sector East but, except for some exchanges of small arms fire across the lines of separation, there have been no major incidents, Gunness said.

However, the Croatian and Serb Krajina armies are in close proximity, and there is a threat of a clash of greater proportions breaking out, he added.

Croatian authorities are giving assurances that they will be taking no military action against Serb Krajina, but with Zagreb-Knin talks stalled, with both sides massing troops and with numerous armed skirmishes, there is much reason for concern, he explained.

Gunness's advisor Major Toby Bridge said that troop movements resembled those spotted prior to Croatia's attack on Western Slavonia, a region in the U.N.-protected Republic of Serb Krajina.

The Croatian army launched its aggression on Western Slavonia on May 1, killing 3,300 Serb civilians and 1,000 troops and displacing 15,000 Serbs, according to Yugoslav Government figures.

UN's Akashi on Expectations of Reaction Force

*LD0607211795 Belgrade TANJUG in English
2035 GMT 6 Jul 95*

["Pool" item]

[FBIS Transcribed Text] Zagreb, July 6 (TANJUG)—U.N. special envoy Yasushi Akashi Thursday stated in Zagreb the conviction that the multi-national U.N. rapid reaction force would act in keeping with the U.N. assignment.

During a talk with Yugoslav Government office head in Croatia Veljko Knezevic, Akashi stated understanding for the Yugoslav Government dissatisfaction over the participation of German troops in the rapid reaction force.

He said the German planes would act within the framework of possible action the U.N. might request from NATO.

Akashi said Western Slavonia (?could no) longer be thought of as a U.N.-protected area, but that the U.N. forces here were increasing as a sort of control of events.

The Croatian Army at the beginning of May carried out an aggression against western Slavonia, the U.N.-protected Sector West, in which, according to Yugoslav Government data, 4,300 Krajina Serbs were killed and about 15,000 had to leave their homes and become refugees.

Akashi pointed out it was necessary to renew the talks between the Croatian and Krajina Serbs' representatives which were interrupted as a result of Croatian aggression and added that there was not much time left for waiting.

Speaking about ways to achieve peace in the territory of the former Yugoslavia, Akashi stated firm conviction that Serbian President Slobodan Milosevic was firmly set in his efforts for peaceful solution to be reached through negotiations.

The head of the Yugoslav office in Zagreb said Yugoslavia remained committed to its principles that [word indistinct] had no territorial pretensions towards anyone and expected the situation in the former Yugoslav republics of Bosnia-Herzegovina and Croatia to be resolved justly. It also accepted the Contact Group for Bosnia plan as a basis for a peaceful solution.

Report Views Efforts To Restore Krajina Morale

AU0707111595 Split NEDJELJNA DALMACIJA
in Serbo-Croatian 7 Jul 95 p 17

[Article by Mario Galic: "Transparent Rhetoric and Modest Parades"]

[FBIS Translated Text] Following "Operation Flash," during which the Croatian Army not only liberated Western Slavonia, but also destroyed the entire 18th Corps of the "Krajina" paramilitary army without too many problems, the combat morale of the "Krajsniks" [inhabitants of Krajina] fell to its lowest ebb since the beginning of the war in Croatia. Not even the terrorist rocket attacks on Zagreb helped. The "Krajsniks" simply no longer believed in their combat strength or the possibility of defending themselves from the increasingly strong Croatian Army. Panic in the face of total defeat spread around Knin, when all of the strategically important peaks on Mt. Dinara were liberated and when the Croatian Army advanced to just 10 km from Bosansko Grahovo. The rebel Serbs' paramilitary army then faced total collapse.

Confusing Announcements

In these circumstances, in mid-May Milan Mrksic replaced General Celeketic as commander of the Krajina paramilitary army. When he took over, Mrksic promised fundamental changes, with the goal of significantly increasing the combat capability of the rebel Serbs' armed formations. His first move was to replace almost entirely the command of the Serb Krajina army with new officers from Serbia. In this way Mrksic wanted quickly and comprehensively to establish control over the rebel paramilitary. His next move was also to be expected. When an army is not doing well, various disciplinary measures, even death by firing squad, are used to impose some sort of order. That is why Mrksic significantly stepped up punitive measures for disobedience and deserting from the front. The third measure that Mrksic announced at the time was quite confusing—namely, he said that he intended to form a completely new elite corps to replace the crushed 18th, the remnants of which were either being used in the unsuccessful attacks on the Orasje-Samac front or deployed in eastern Slavonia as reinforcements for the rebel forces in the area. Everything in Mrksic's announcement was confusing. First, because countless regular and general mobilizations in the Krajina had already absorbed into the ranks of the paramilitary army anything that could carry a gun, it was unclear where Mrksic was planning to find thousands of troops for his corps. Second, according to the announcement, it was supposed to be an elite corps of great combat strength. That is why its ranks could only comprise young and healthy troops, capable of en-

during strenuous conditions. And such are few and far apart in the Krajina; they have either been killed in the earlier fighting in Croatia and Bosnia-Herzegovina, wounded such that their combat ability is now substantially reduced, or managed to escape to Serbia. Because Mrksic himself came to the Serb Krajina army from the Yugoslav Army, he was well aware of the number of militarily capable "Krajsniks" strolling along Belgrade's streets and throughout Serbia, who did not have the faintest clue that the new Krajina commander was counting on them to form his elite corps. At the beginning of June, the operation of the forceful mobilization of young "Krajsniks" started in Serbia and is still in progress. So far, some 4,000 to 5,000 people have been brought to Krajina in this way.

Although military theory knows ways to turn a disorganized rabble into highly efficient combat units, such a process nevertheless requires certain preconditions. In standard military units, it is the necessity to defend one's state, people, or, in extreme cases, family. In various mercenary armies, it is the feeling of belonging to a specific powerful organization, or purely materialistic interest. Youths dragged from the security of Serbia to the total insecurity of the Krajina region are highly unlikely to have any of these. First of all, the only thing they all crave is to escape to Serbia or farther away as soon as possible, far out of Milan Mrksic's reach. That is why it will be interesting to see how Mrksic intends to create an elite corps in the training camp near Slunj out of people who have no desire whatsoever to be elite troops.

A Propaganda Operation

To achieve this, Mrksic has launched an extensive propaganda campaign, whose ultimate objective is to instill in the young "volunteers" a feeling of belonging to the Krajina and the elite corps. That is why he also included in the "special corps" those paramilitary forces that have hitherto shown the greatest degree of loyalty to Knin. In this way, the special brigade of the "Krajina interior ministry," almost the entire military police and all of the students at military academies, have become part of this military force. They are expected to indoctrinate those who have returned to the Krajina. The 2d Guard Brigade and the 71st Special Brigade are also part of the "Special Forces Corps," which is the unit's official name. The 2d Guard Brigade and the 71st Special Brigade are only partially made up of experienced troops; the rest will be recruited among the "volunteers." With this combination of troops, Mrksic wishes to tighten discipline because he hopes that the influence of the veterans will eradicate the destructive

influence of youths who do not have the slightest desire to fight for the Krajina.

As part of the psychological influence on the newly arrived troops and with the aim of raising the pathetic combat morale of the "Krajsniks," a modest military parade was held in the Slunj training camp.

The very venue of the parade, the training camp near Slunj rather than Knin, being the most logical choice, implies what Mrksic wished to achieve. Things become even clearer when one knows that it is precisely this training camp that has been designated as the place where the "special corps" will evolve and where it will be stationed until it is deployed. It was also calculated that the parade itself and all of the preparations surrounding it would have an additional psychological effect on the "volunteers," who, at the outset of their training, were supposed to feel all the significance and importance of the force to which they belong. The other propaganda was directed at the Krajina population, which was supposed to be convinced in this way that the "Serb Krajina army" was again gaining in strength. Because most of the Krajina citizens could only view the parade on television, the transparent rhetoric of the studio announcer was expected to create an additional propaganda effect.

Although not a single new piece of weaponry was displayed that the Krajina paramilitary force did not possess before "Operation Flash," the studio announcer tried to convince viewers that what they could see on the screen was very effective and far superior to anything the Ustasha have. At one point, he announced that only political reasons had stopped the M-84 tank from being proclaimed the best tank in the world. Of course, he "forgot" to mention that the same tank was being manufactured in Slavonski Brod [in government-held Croatia] and that Croatia had recently displayed to the public an even better tank.

It is obvious that Mrksic has decided to employ propaganda to save what can be saved; his guiding light is the adage that "even the biggest lie becomes truth if it is repeated often and consistently." At the same time, he is hoping that the propaganda will start to work before a new, large-scale Croatian Army operation that would totally crush the Krajina paramilitary in a mere 48 hours, thus completely destroying the dream of Greater Serbia on Croatian territory. That is why, given enough time, Mrksic will ultimately be able to create his "special corps." The only question is how many years he will need to accomplish this.

Trial of Serbs Captured in W. Slavonia Begins

*LD0607162695 Belgrade TANJUG in English
1533 GMT 6 Jul 95*

[FBIS Transcribed Text] Vukovar, July 6 (TANJUG)—Spokesman for the U.N.-Protected Area Sector East, Kirsten Haupt, said Thursday that the civilian court in the Croatian city of Bjelovar has put on trial a group of Serbs taken prisoner in West Slavonia.

At a press conference in Vukovar, a city in the east of the Republic of Serb Krajina, Haupt could not specify the number of Serb prisoners who are standing trial, or the charges brought against them.

Yugoslav Government sources say that 3,300 civilians and 1,000 troops were killed in the Croatian aggression mounted on May 1, while 15,000 Serbs fled West Slavonia, a part of the Republic of Serb Krajina and a U.N.-Protected Area.

Haupt added that according to information received from the Croatian authorities, the 186 Serbs from West Slavonia who are still in prisons in Croatia are classified in three groups: The first should be released soon, a second will stand trial in a civilian court and a third will stand trial in a military court.

The U.N. does not know how many people there are in the three groups, Haupt said, adding that it was clear that after the trial in Bjelovar, a similar trial would be held in the Croatian city of Pozega in August.

All Serbs in Croatian prisons in Bjelovar, Pozega and Osijek can be visited by representatives of the U.N. and the E.U. the only exception is the prison in the Croatian city of Split on the Adriatic coast, where 19 Serbs are held prisoner and who are not allowed to contact lawyers or representatives of the international community.

Haupt said that the situation in the Sector East was stable. Asked if information about the amassing of Croatian troops in the area were correct, she said that no big troop movements have been detected toward the sector from the Croatian side.

Haupt announced that another group of about 20 Krajina Serb refugees will arrive by highway on Friday.

Serb Krajina Acts on Refugees; Government To Meet

*LD0607192795 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1704 GMT 6 Jul 95*

[FBIS Translated Excerpt] Borovo Naselje, 6 Jul (TANJUG)—A total of 5,000 tonnes of wheat from the state's commodity reserves will be exchanged for

building materials that will be used to achieve a lasting solution in terms of accommodating [Serb] refugees from western Slavonia, the Government of the Republic of Serb Krajina [RSK] decided at its session in Borovo Naselje today.

The value of this wheat is 1.4 million dinars, it was said, and all of the revenue generated by special taxes on alcohol will be used for the long-term care of refugees from western Slavonia. The decree introducing these taxes was also approved at today's session.

So far, nearly 8,000 refugees from western Slavonia have arrived in eastern Slavonia, Baranja, and western Srem. [passage omitted]

The harvesting of wheat, which in the RSK was sown on 58,000 hectares, is going ahead successfully. As in the Federal Republic of Yugoslavia, 28 paras will be paid for one kilogram, while 24 million dinars will be needed to purchase this year's wheat harvest.

Today's session will probably be the last session of the Krajina government in its current composition because on 10 July in Mirkovci the new prime minister, Milan Babic, will be proposing his new cabinet to the RSK Assembly.

Gligorov Views Economic Reforms, Integration

MS0707094595 London *FINANCIAL TIMES*
in English 7 Jul 95 p 35

[Report on interview with President Kiro Gligorov by Anthony Robinson and Kerin Hope; place and date of interview not given]

[FBIS Transcribed Text] At the start of the conflicts which tore Yugoslavia apart four years ago, Milovan Djilas, the war-time confidante of Josip Tito who became an anti-communist dissident, saw only two leaders with the wisdom and level-headedness needed to avert the worst. They were Milan Kucan, now the president of independent Slovenia, and Kiro Gligorov, the president of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM].

Mr Gligorov, as leader of what was among the poorest of the former Yugoslav republics, faced the hardest task. For while Slovenia is an ethnically homogeneous state on the fringes of the Balkans and close to the industrial heart of Europe, Macedonia is a classic landlocked and multi-ethnic Balkan state surrounded by neighbours with competing historical claims on its territory.

Even Macedonia's name is contested by its most powerful neighbour, Greece, which for 18 months has mounted an economic blockade which bars access to the sea as completely as the UN embargo on Serbia blocks access to northern Europe.

"In this part of the world it is difficult to find the true path between reason and emotion, myth and reality. This is the burden of the Balkans which prevents us becoming truly European," the 78-year-old president says, to explain the seemingly irrational policies of the only European Union member country in the Balkans. His remarks are not meant as a jibe against Athens, however, but as the preface to a passionate plea for the EU to help the Balkan states integrate into Europe and move closer to European standards of democratic behaviour. "It would be a great mistake if the Balkans were treated only as a security problem and kept aside from the processes of economic and political integration.

"These countries will strive for economic prosperity and democracy if encouraged by the prospect of economic integration. The younger generation would ask why 200,000 people in former Yugoslavia had to die if a Schengen-style Europe with free movement and open borders was on offer."

Mr Gligorov sits in his large but modestly-furnished office behind the parliament building. Macedonia's red flag with its gold 16-pointed "star of Vergina" is against the wall behind him. He warns that "war could erupt in

the Balkans again if the younger generation is deprived of the prospect of joining Europe."

As a man who experienced years of war as a partisan in the fight against fascism he adds that "in the end, the costs of integrating the Balkan countries into Europe will be less than the expense of building up the rapid reaction forces and other security measures now being taken." The conflicts in former Yugoslavia have already cost the international community dear for scant reward. But an even greater burden has been placed on surrounding states, as far away as Ukraine, which have paid a high economic price for supporting the UN embargo on Serbia "without compensation being given or even offered," he says.

Macedonia, caught between the UN hard place and the Greek rock, has suffered the most. "But even in these difficult circumstances we have moved ahead towards full privatisation of our economy and reached agreement with the international financial institutions," says Mr Gligorov, a long-time advocate of economic freedoms.

"Economic reform is a complex and difficult process entailing great social tensions and great social costs. But waiting for the ideal moment would only increase the costs," he adds. His words carry the conviction of a man who was demoted politically for his earlier attempts to bring market-style economic reforms to former Yugoslavia. "As early as the 1950s I became aware that state rule over the economy would not work. So I started fighting for economic liberalisation as head of the first economic reform commission. This was set-up in 1965 but abandoned three years later when Tito feared it would encourage nationalism and lead to the end of the communist political monopoly," he recalls.

But 20 years later, when Ante Markovic, then the Yugoslav federal prime minister, began his last-ditch economic reform effort, he called Mr Gligorov back to play a key role. Once again the enterprise failed, largely due to the ambitions of powerful and destructive politicians such as Serbia's Slobodan Milosevic and Croatia's Franjo Tudjman. So Mr Gligorov, who many Serb politicians regard as a Bulgarian, not a "real" Macedonian, returned from Belgrade in time to lead Macedonia to its bloodless independence.

The greatest achievement of the man who is arguably the shrewdest, and certainly the most experienced, of the former Yugoslav political class, was to mastermind Macedonia's peaceful escape from the Yugoslav imbroglio.

Independence was secured after tense personal negotiations with Mr Milosevic which culminated in the withdrawal of the Serb-dominated Yugoslav Peoples Army

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(JNA), from its bases in Macedonia early in 1992. The breakthrough came after Mr Gligorov guaranteed that the JNA, with all its arms and equipment, could make a dignified exit without the harassment suffered by JNA units in Croatia who were besieged inside their barracks at the start of the war in 1991 and jeered as they left.

But the Macedonian leader's understanding of the Serb mentality, and particularly the need not to stir up violent emotions among the families of JNA servicemen like the Croats, might not have been sufficient had Mr Milosevic not made a serious miscalculation about Macedonia's prospects for survival.

As Mr Gligorov tells the tale, the Serb leader, anxious to avoid war on two fronts as he prepared to help the Bosnian Serbs carve out their share of the central former Yugoslav state, had expected that Macedonian independence would be short-lived. As a small country, it would either collapse economically, forge closer links with Bulgaria or become embroiled in its own ethnic conflict with its Albanian minority. That none of these potentially fatal developments has so far materialised is the prize for a masterly juggling act.

"From the very start we recognised that Macedonia could only be independent within its existing borders. We made clear that we have no territorial pretensions or desire to interfere in the internal affairs of any of our neighbours. This is one former Yugoslav republic where nationalist passions have not been excited and nationalism has not prevailed," concludes the veteran leader of the most vulnerable of the region's new independent states.

Gligorov, Rugova Share Views on Balkan Crisis

AU0607180295 Skopje MIC in English 6 Jul 95

[FBIS Transcribed Text] President Kiro Gligorov met yesterday with the president of the Democratic League of Kosovo Dr. Ibrahim Rugova. They exchanged opinions on the situation in Kosovo and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], and broader in the region, and expressed concern over the escalation of the war in Bosnia-Herzegovina.

Furthermore, both sides affirmed that peace and stability in the Balkans can be guaranteed only by settling the open issues through talks and political means and by strengthening the European option of the Balkan states, the presidential cabinet announced.

Albanian Ministers Oppose Velickovski Appointment

AU0607185895 Skopje MIC in English 6 Jul 95

[FBIS Transcribed Text] The appointment of Dobri Velickovski as director of the Office for Counter-Intelligence and Security, at the Government's last session, did not pass unanimously, MAKPRESS reports. The proposal of Interior Minister Ljubomir Frckovski, namely, did not receive the support of the ministers Albanians in the Government. The Albanian ministers mainly complained about the involvement of Dobri Velickovski in the affairs "Blue bird" and "Albanian paramilitary."

Socialists Reelect Popovski as Party Leader

AU0607162195 Skopje NOVA MAKEDONIJA in Macedonian 2 Jul 95 pp 1, 4

[Unattributed report: "Without Changes in the Party Orientation"]

[FBIS Translated Excerpt] The second congress of the Socialist Party of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] was held this evening. The representatives of dozens of parties and associations from the Federal Republic of Yugoslavia, Bulgaria, Greece, Albania, Italy, Germany, and Spain, as well as guests and other parliamentary and nonparliamentary parties from the country, were greeted by President Kiro Popovski. He stressed that the congress should not expect some radical changes in the program orientation considering that the party and its program have withstood the test of time and that there were no reasons to change the course. Commenting on the rumors about differences among the coalition partners, he said that the Socialist Party of Macedonia will demand that standards on mutual relations in the coalition be set in the interest of the Alliance for Macedonia. He also said that dissatisfaction is already emerging in the party ranks about the frequently unassertive stand by the Socialist Party of Macedonia toward the other two partners in the coalition, despite the agreement on equal treatment.

Kiro Popovski was unanimously reelected president of the party at the congress. Blagoja Filipovski and Ljube Trpevski were elected party vice presidents. The congress approved the report on the work of the Socialist Party of Macedonia between two congresses and adopted a Program Declaration. [passage omitted]

**THE FORMER YUGOSLAV REPUBLIC OF
MACEDONIA****FBIS-EEU-95-130****7 July 1995****Ministry Decrees Passport Needed at FRY Border***AU0607181395 Skopje MIC in English 6 Jul 95*

[FBIS Transcribed Text] The Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Interior Ministry is informing the citizens that starting from July

5, 1995, from 1300 [1100 GMT] hours, the regime of crossing the Macedonian-Yugoslav border is changed. Namely, Macedonian citizens can cross the border only with valid travelling documents, and not personal I.D. cards, like before.

German Chancellor Arrives on Official Visit

LD0607121495 Warsaw PAP in Polish
1137 GMT 6 Jul 95

[FBIS Translated Text] Warsaw, 6 Jul—German Chancellor Helmut Kohl, accompanied by his spouse, arrived in Poland today on a three-day official visit. The distinguished guest will be officially welcomed by Prime Minister Jozef Oleksy outside the Council of Ministers Office. After the ceremony, private talks between the two heads of governments are to be held. The German chancellor is accompanied by a government delegation and a large group of German businessmen.

Kohl Addresses Polish National Assembly

LD0607182095 Warsaw TVP Television First Program
Network in Polish 1522 GMT 6 Jul 95

[Speech by German Chancellor Helmut Kohl to the Polish National Assembly in Warsaw—live, in German with simultaneous translation into Polish; relayed by TV Polonia Network]

[FBIS Translated Text] Mr. President, Mr. Sejm Speaker, Mr. Senate Speaker, Mr. Prime Minister, your excellencies, ladies and gentlemen, deputies and senators. This is a great honor for me. For someone who has been a parliamentarian for over 36 years, speaking here today in Poland before the two chambers of the parliament of the Polish Republic is an enormous joy. It is the first time the head of the German Government has spoken before representatives of the Polish nation chosen in free elections. For me personally, regardless of my professional obligations, this is a very significant and very moving moment in my life.

Ladies and gentlemen, the will on both sides to hear each other out, for better mutual understanding—this will exists, and I hope we will act together so that this will to act is mutual. I pass on to the Polish nation sincere good wishes from their German neighbors. Six years ago, I paid a visit to your country. Since those days of November 1989, Europe has experienced great changes. Then, straight after the fall of the German Wall in Berlin, I broke off my visit to Warsaw and of course went immediately to Berlin. It was completely clear that I ought to return, although many people in Warsaw did not believe that I would return so quickly.

I am here again today as the federal chancellor of a united Germany. A special characteristic of the present visit is that, both here and in my country, this visit is regarded as completely normal. This is not yet complete normality, but what I have said shows that we have already traveled a very long road, a road which we have covered positively.

Ladies and gentlemen, the year 1995 is a year of remembrance and memories for everyone. In my government expose in the Bundestag on 1 June, I clearly defined the German blame and responsibility for the crimes of Nazi barbarity. We Germans do not forget that Poland was the first victim of the war of aggression begun by Hitler, and we do not forget the sufferings of the Polish nation. We are all the more grateful for what has changed in these years and decades in our relations, what has been introduced into our new mutual relations, and what joins us. I am grateful that these things exist between our nations.

Many things in both countries have contributed to this development. In 1970 Chancellor Willy Brandt left an important sign in Warsaw. The churches in both countries had earlier pointed out the road to reconciliation. The joint declaration of Polish and German Catholics on 1 September 1989, to mark the 50th anniversary of the German attack on Poland, was an important message in the cause of peace and respect for human dignity and human rights.

The border treaty of 14 November 1990, in which the united Germany acknowledged the extant border with Poland recalls in its preamble, I quote, the enormous suffering this war brought with it. In particular, it also speaks of the loss of homelands by many Germans, of the expulsions, of the forced migrations. Let this be a warning and at the same time a challenge for the shaping of peaceful relations between both nations and states. Speaking with gratitude, we recall the noble words expressed by Foreign Minister Wladyslaw Bartoszewski a few weeks ago, on the 28 April 1995, in the German Bundestag. I am particularly happy that among the deputies there are also representatives of the German minority. The free development of personality and the right to represent individual interests are, for a minority in particular, the special measures of tolerance.

Mr. President, Mr. Speaker, I gladly allude to what you said, that in our talks also we will refer to all of those matters and wishes that will emerge from your side, and—this is very important—that we here talk together positively.

Ladies and gentlemen.

The fall of the Berlin Wall symbolizes the end of the Cold War. The division of Europe was at variance with history, and the Polish nation kept rebelling against it. One of the most effective and most dramatic causes for these changes on our continent is a steadfast will of the great Polish nation to occupy its own place in a free Europe.

By signing Polish-German treaties we managed to tie in to good traditions of peaceful coexistence with our nations, fruitful cultural and economic exchange, as well as meetings with people. These traditions, thank God, could not be erased by either a chauvinistic haughtiness, or the ideological fanaticism, or the war, or exile because behind this deeply European tradition there was, and there still is, the idea of freedom which unites us. Mutual desire for freedom and self-determination impressed a mark on the essential phase of relations between our nations. During the fight for freedom in Poland in the years 1830-31, and especially in later years, Germany was overwhelmed by a wave of sympathy and enthusiasm for the neighboring Polish nation. The culminating point happened in my home country of Rhineland-Palatinate in Hambach on 27 May 1832. On that day the white and red banner hung beside the black, red, and gold banner. Many people in this country do not know about this. The banner of the FRG was created from that banner. At that time German, French, and Polish students demanded that a constitution and citizen rights be passed for all Europeans, and in their songs they sang about freedom. Speeches delivered at that time said: There is no freedom for Germany without the freedom for Poland.

Without the freedom of Poland, there is no lasting peace; there is no rescue for any of the nations of Europe. That is why you should call for struggle for the independence of Poland. This was a hymn sung by German students in those years.

Ladies and gentlemen, part of the lifework and testament of Konrad Adenauer, the first chancellor of the FRG, was the reconciliation of Germany and France, and this is a great historical fact. Adenauer, then, and I, here, would like to remind you about this, in his first government statement after his election to the post of chancellor in October 1949. He said, and I put it in my own words, after these years of National Socialist barbarism we again want peace, friendship, and also reconciliation with all of our former opponents and wartime enemies. Above all we want this reconciliation with France, with Israel, and with Poland. Adenauer brought his contribution, and of course brought this great contribution to reconciliation with France and with Israel. Unfortunately, by virtue of the historical conditions of those times, he was unable to bring into effect reconciliation with Poland as well. Today we have this opportunity, and I am happy that I myself can bring this contribution to these times. Through this visit to Poland, I would like to contribute to the vision of this great Europe, a vision of the friendly coexistence of Poland and Germany, and hope that this vision comes to pass.

Ladies and gentlemen, for 50 years we have been living in peace. What a long road we have covered over these 50 years, through these decades. We could see for ourselves in Cannes, at the European Council summit. For the second time, after the conference in Essen in December last year, we were able to meet with heads of governments and ministers, and (?this time) with ministers of foreign affairs of partner states associated with the European Union.

This was a very important event [word indistinct] some of everyday life, European diplomatic relations, but this is part of European history and part of Europe. Poland is a part of Europe. If we do not widen this Europe, we will not be able to include countries that were with us in Cannes. If we cannot include our Polish friends, this Europe will quite simply be incomplete. We heads of EU states and governments also spoke there with you, Mr. Prime Minister Oleksy, and with Foreign Minister Bartoszewski, about the future of Europe. We find ourselves on the way to realizing a certain vision, which the great Polish national bard Adam Mickiewicz in 1849 subsumed in the following words: What now is the very first, the most important, the most intense wish of the peoples? We do not hesitate to say that this is the wish for mutual understanding, for unification, the cumulation of interests. We will not find a better formulation in the successive 146 years in any contemporary text of arrangements. Democratic Poland, for us, for me, in an obvious way takes its place in the EU. I understand the impatience of many people here in this country. I understand that you want all of these negotiations and the work to move more quickly, but, ladies and gentlemen, the great aim of joining the EU is not an aim that can be implemented from day to day. We all know that, regardless of what the EU does to prepare Poland for joining this organization, above all, the main burden will rest upon people in Poland. In the name of Germans, in the name of my countrymen, we will do everything to help Poland on this road. Help from outside may only be help for self-help. I have great respect for and acknowledge those here in Poland who believe that this aim may be quickly attained. Mr. Prime Minister, I note with satisfaction the desire of the Polish Government to formulate a national strategy for joining the EU and the open debate with various circles of society on the costs and consequences of joining the EU.

Despite many fears, I hope that many citizens of this country will understand that the train to Europe is speeding away, that this process is irreversible, and that with all the scepticism that exists, you must believe me when I say that this train is going and no one, including the Eurosceptics and those people who are simply the

representatives of Eurosclerosis, no one will be able to stop this speeding train. This means that we want to learn something from history. We do not want history to pass in silence.

We know the fundamental value and truth in the lives of nations, namely that a nation that does not know its own history does not understand the present and cannot shape the future; but the thesis I would like to state here is: Poland needs Europe and Europe needs Poland too. [Applause] Without Poland, Europe is incomplete.

You here in Poland hold all of these matters in your hands. When this goal is achieved, with reference to both the process of modernization and to other issues, these matters are important and the course of the reforms is a European course. There will be no shortcuts here.

Regarding modernization in associate countries and reforms in the EU countries, the point is not to exert additional time pressure, the point is not simply to drag out accession, but the point is at the moment to use the time properly. The difficulties in an incorrect assessment of this task could lead to the possibility of our taking on the risk of a possible defeat.

The variety of our cultures, languages, and historical experiences—all of this is a task for the future. Germans and Poles, Poles and Germans, cannot stop looking for new roads for the unification of Europe under conditions of democracy, peace, and security. I would like to add that, for me and for the policy I represent, the acceptance of Central and Eastern European states and the acceptance of Poland into the EU is not a matter of balancing economic interests. Integration with the Euro-Atlantic structures is an imperative of solidarity between the nations of Europe, a solidarity which has arisen by way of common values. A successive, central component of the future European architecture of security will be NATO. Germany understands and supports the desire of Poland and other young democracies to become members of the North Atlantic Treaty Alliance.

Ladies and gentlemen, the acceptance of Poland into NATO and into the EU are very closely tied to each other, but this absolutely does not mean that it happens simultaneously. I know that here in Warsaw this has perhaps been interpreted differently. If this has been misinterpreted, it is an error. Of course, there is an association between joining both structures, but this does not mean that it must ensue simultaneously. The acceptance of new members into the Alliance ought to contribute to strengthening peace and stability in all of Europe. The North Atlantic Alliance is not directed against anyone—and I say this with knowledge—in this chamber, at this rostrum. The Alliance is not directed against anyone at all. This will also be the case if

we widen NATO to include Poland. The acceptance of new members will bring with it very significant consequences for the whole security structure in Europe. That is why we intend to shape this process in such a way that it does not lead to new contradictions, but so that particular countries in Europe come closer to each other. This requires persistence, constancy, sincerity, in mutual relations, and patience.

Above all, and I would like to say this with all firmness, the point is that Russia, our mutual, greatest neighbor in the east, also be included into the architecture of security in a way that will correspond to its destiny and its opportunities. The alliance has thus offered Russia dialogue, which ought to bring about a lasting and a fruitful partnership for both sides. I am completely certain that through this there will arise favorable conditions and that the acceptance into the Alliance of new members like Poland or the Baltic states will not lead to dispute and opposition on the part of NATO.

A significant component of positive development of Europe is that Russia remains on the course of reforms, the continuation of these reforms, and the consistent continuation of the policy of transformations. I would like to stress what I have already said in Moscow: that no state can forbid another state membership in any kind of alliance. No state has the right.... [applause] No state has the right to treat other states as the forefront of its own security. Whoever behaves that way.... [Applause] Whoever behaves in such a way would be thinking in outdated categories of the nationalist, great power system. Ladies and gentlemen, five years before the end of this century, a century which has drawn after it so much suffering, so many victims, so many dead—we know much better than other generations that such thinking brought only misfortune for our continent.

I would like to say one thing, something that many Poles might feel. You can best learn about these things from caricatures. For us Germans it also means that there is no policy that will reflect badly on our Polish neighbor; there is no policy with others that would be a disadvantage for Poland. [applause]

Ladies and gentlemen. European integration cannot proceed without stable and good-neighborly bilateral relations and it cannot be a stable integration. We can be proud of what our two countries have achieved. Revolutionary changes are most visible in the cooperation of our Armed Forces.

Ladies and gentlemen, Mr. Mazowiecki. Who could imagine several years ago, during my last visit to Poland, that German, French, and Polish soldiers would participate in joint manoeuvres? In October 1994 this became a reality. The presence of Polish officers in the

Hamburg Staff College and of German officers in the General Staff Academy is now described as normal. But if we talk about it, we have to ask: What is this road we have jointly moved along? Partnership, visits, joint manoeuvres, various peace missions all indicate the beginning of a new era.

I think that our pride in our achievements should be a stimulus for us. Meeting with a neighbor is a fundamental premise for the growth of trust. We have Polish-German youth cooperation, Jugendwerk, which has made it possible for many young people to meet. It would be nice if this visit can also be a premise that, in spite of the fact that our budgets must economize and that it is necessary to find resources for Jugendwerk to operate further. For me, Jugendwerk is the only opportunity of this kind and we want to see a repetition of this wonderful success which we implemented as part of the French-German Jugendwerk. Millions of young French and Germans met as part of this French-German Jugendwerk. This is the reality. Bearing in mind our resources, the same should also develop between Poles and Germans. Meeting one another means crossing the border. Polish-German cooperation is often narrowed to a difficult situation at border crossings. Waiting times, either in the goods traffic or during holidays, are often impossibly long.

The sudden increase in traffic is an enormous material challenge. Thus, we also talked today about doing everything in our power to allocate the appropriate resources so that this state of affairs, this impossible state of affairs, can be ended as soon as reasonably possible, since dynamic economic development is dependent upon fast access to other markets. Taking all of this into account, the cross-border affairs and the cross-border zones are very important zones. This eastern border of the EU ought to become a zone of strict cooperation. This would also facilitate the integration of Poland in the framework of the EU, and we spoke of this, Mr. Prime Minister, since the discussion looks like this and not in any other way. [sentence as heard] The point is that if we really want to move toward closer economic cooperation, in particular cooperation between firms, here on the eastern border of Poland, the point is not that we have some sort of secret intentions, but that real cooperation really come about between Poles and Germans.

Ladies and gentlemen, thanks to close economic cooperation and also thanks to the successes already attained, we are achieving much. The German-Polish Town and Country Planning Commission has done a lot, and indeed cross-border town and country planning is here absolutely marvelous, and is a good example within Europe.

Ladies and gentlemen, cultural relations are very important, but I observe with a certain unease what is taking place. I see that economic and trade affairs have priority. That is in order, of course, but if on the road to the future we forget that man does not live by bread alone, that cultural relations, relations between people—not only of the mind but also of the heart—if we remember that this is important, we will also remember that the development of this sphere between Poland and Germany is very important. We have already done very many positive things here. We have student and academic exchanges. This cannot be compared in principle with German relations with any other Central European state or state from Eastern Europe.

I am very glad there will be meetings with Polish and German youth at Jagiellonian University in Krakow the day after tomorrow. The Germans and the Poles owe each other a great deal; they have given each other a great deal in art, in literature, and in music. When we talk about Polish-German relations, we should always refer to those fields. Great interest in Polish cultural life has existed in Germany for many years. The works of composer Krzysztof Penderecki, the films of Andrzej Wajda, the books of Andrzej Szczypiorski are known; many other works are known, and many works have received a magnificent reception in Germany. We can see how close this development in our countries has been in the last centuries if we look at the founding of the university in Krakow, the Krakow Academy, and the university in Heidelberg, which were founded at the same time. The founding of both of these universities took place only a few years after the founding of the university in Prague. An awareness of these occurrences should also characterize the work of the German Historical Institute in Warsaw, which started up last year.

Ladies and gentlemen, only together can we have a joint future, so I would like to give my message here once again: It is my wish, our wish, that in the immediate future—and I am thinking primarily of this decade—that Poland will find her road to the EU and to the security structures within NATO in this immediate decade. We want to help Poland on that road, for we think that for a good, safe future we should act in a common Europe. That is what we owe to future generations, to our children, our grandchildren.

Ladies and gentlemen, I ask your forbearance. I know that this speech is being broadcast on Polish television; please allow me to say a few words to the young people. When I arrived, the Polish Army honor guard welcomed me in accordance with protocol. Just as in Germany, these are young boys, 20-year-old men. When I looked at those young people, for a moment I thought: What

does it mean, to be 20 years old at this moment, when we are opening wide the gate to Europe?

We are opening this gate widely also for young Poles and Polish women. If someone is 20 years old, he has the best chances, according to the statistical expectations of life, that he will live to the year 2050, the middle of the next century. If these people are listening to me, perhaps they will think how young Poles in 1950, or Kohl, who was 20 at that time, how those people saw the future then. This was the time when we could merely dream of it. It was much less than a vision. We could only dream that one day it would all look differently. As you see, ladies and gentlemen, today's reality looks quite different. The young Germans, or young Poles, who are 20 now belong to the first generation of the current history of our nations, the generation which has a chance not to experience any war during their lifetime.

Ladies and gentlemen. This is my message to young people. Please do not complain that the road to Europe is difficult, that agricultural matters are difficult, that prices for agricultural produce is high, how difficult are the matters connected with customs duties, how difficult are the regulations connected with employees circulating between different countries. All of this is true. But the most important thing is the message: that young Poles, young Germans, and young Europeans will be able to live side by side in the new century in a united Europe, in a mutually constructed European home. If this is true, then I think it is proper to mention what young Frenchmen, young Germans, and young Poles were saying 140 years ago in Hambach at those celebrations. They said: For your freedom and ours. And we want to serve this objective. This is my message to you, ladies and gentlemen, deputies. I wish us that this be so and God bless our two nations. [applause]

Oleksy, Zych on Speech

LD0607185495 Warsaw TVP Television First
Program Network in Polish 1730 GMT 6 Jul 95

[Relayed by Warsaw TV Polonia Network in Polish]

[FBIS Translated Text] Prime Minister Jozef Oleksy has said, after the speech by German Chancellor Helmut Kohl, that he is in significant measure satisfied by the support of the chancellor for our aspirations, although the leader of Germany did not clearly specify a timetable for our integration with NATO and the European Union.

[Begin Oleksy recording] I think that the chancellor expressed these thoughts in a way that was very balanced. He avoided declarations that will signify some sort of concrete dates and deadlines. I have just finished a 90-minute private conversation with the chancellor, and in this conversation I obtained a significantly deeper

background to these announcements and evaluations that the chancellor later expressed in the Sejm in a general form. [end recording]

Sejm Speaker Jozef Zych, on the other hand, stressed the significance of the words spoken by the chancellor, that it is not only Poland that needs Europe, but also that Europe needs Poland.

[Begin Zych recording] The characteristic thing for me is what was notable both in my meeting with Chancellor Kohl, and in his speech. First, a change of stance on the road to NATO and the EU, and thus this is to be in parallel, but not simultaneously. We know, from earlier announcements, that this had sounded a little different. [end recording]

Tadeusz Mazowiecki drew attention to the same thread in the speech. Six years ago, Tadeusz Mazowiecki, as the first noncommunist prime minister, exchanged the sign of peace with Chancellor Kohl in the course of a mass in Krzyzowa.

[Begin Mazowiecki recording] I share his view, and I feel that Poles should also say this clearly, that Poland joining NATO is not directed against anyone. This voice also ought to be heard coming from Poland, that this is not directed against anyone at all, but is only for the security of Poland and for the security and peace of Central Europe. [end recording]

Tadeusz Mazowiecki added that Europe ought not to fear that our aspirations to enter NATO will be a hindrance in the arrangement of good relations between the West and Russia.

Praise From RZECZPOSPOLITA

WS0707113595 Warsaw RZECZPOSPOLITA
in Polish 7 Jul 95 p 5

[Commentary by Katarzyna Kolodziejczyk: "Vision Worth the Effort"]

[FBIS Translated Text] For the first time in the history of the Polish Sejm, a representative of Germany, Chancellor Helmut Kohl, delivered a speech at a joint session of both chambers of the parliament. He used this occasion to confirm Germany's commitments, resulting from treaties, to supporting Poland's efforts to join the EU and NATO, which does not have to occur simultaneously. However, this was not the only thing that he did. He tried to make Poles realize that the vision of a future free and integrated Europe is worth the effort which Poles must make themselves. In fact, we are still far from realizing this necessity.

Kohl's speech, in which he quoted many examples of both the more remote and more recent history to show

Poles to what extent the future of free Poland is linked to the future of free Germany, was to dispel our fears and concerns which still arise, especially when unpleasant incidents occur.

Fears and old nightmares of the partitions and World War II keep coming back in Poland; this happens especially when issues of European security are discussed by the Germans and Russians. Being aware of those fears, Kohl assured Poles that no country is entitled to treat other states as a foreground of its security and no country has the right to forbid any other state to join an organization. Kohl reinforced his statement by saying that the policies which Germany is carrying out in relations with other countries will not negatively influence Polish-German relations.

The vision of a common, free, and safe Europe of which Poland is part, a Europe in which today's twenty-year-olds will not have to be killed, is a real chance for our country which Chancellor Kohl promised to support on behalf of Germany. He said openly, however, that it would not be possible to do this overnight.

Any breakthrough event has its symbols. The change of the nature and of the Polish-German relations [as published] after 1989 also has its symbols. Kohl mentioned some of them: the exchange of letters between the Polish and German clergy, the gesture made by Willy Brandt, and his own meetings with former Prime Minister Tadeusz Mazowiecki in Krzyzowa. From now on, we can certainly include among those symbols the German chancellor's speech in the Polish Sejm.

ZYCIE WARSZAWY Offers View

WS0707113895 Warsaw ZYCIE WARSZAWY
in Polish 7 Jul 95 p 1

[Commentary by Andrzej Kaniewski: "Together in Europe"]

[FBIS Translated Text] The Polish parliament made a significant exception for German Chancellor Helmut Kohl. He was the first head of a foreign government to address deputies and senators of the Polish Republic. This confirms that the governments in Warsaw, regardless of their coloration, consider the normalization of bilateral relations with a united Germany to be the most important achievement of Polish foreign policy in recent years.

Germany is a key element of Polish international policy—we want it to assist us in entering the EU and NATO. We see Bonn to be our strongest ally.

Chancellor Kohl is very well aware of how impatient we are and how much we want the West to set the dates for accepting Poland into its structures. It is not up to

Germany alone, however, and the remaining members of the EU and NATO did not give Kohl any proxy.

The Polish parliament is not the venue where such dates are set. It is appropriate, however, for expressing political good will, and Kohl took the opportunity. It is very well that he dispelled the doubts that arose after the interview he gave on Polish television on the link between entering the EU and NATO.

One of the most interesting statements was not actually in the written text of the speech. The chancellor concluded the address by expressing his belief that within a decade "Poland will find its way into the EU and NATO." Hopefully, these words were not said only out of gratitude for the courtesy of the Polish parliament.

Walesa, Kohl Cited on EU, NATO

LD0707151495 Warsaw Polskie Radio First Program
Network in Polish 1500 GMT 7 Jul 95

[FBIS Translated Text] Chancellor Helmut Kohl reassured President Lech Walesa that Germany wants to build peace and prosperity in Europe together with Poland. President Lech Walesa stressed that full Polish-German reconciliation is the great task for both nations:

[Begin Walesa recording] Interesting things are taking place in Europe. Poland and Germany seek to bring peace, calm, and prosperity into this Europe. We did not consider whether we should do this, but we did consider and discuss how to do this. I must say that I am pleased with the chancellor's arguments. I thank him for every thing which he has said in Poland already, and for what he will yet say. I thank him for saying at the meeting in Copenhagen that he will come to Poland before the holidays—and he came! Many politicians do not always keep their word. And so, thank you Mr. Chancellor, and I hope that we will together construct European unity and prosperity. [end recording]

Chancellor Helmut Kohl noted the need to insure Poland's security through membership of NATO. He stressed the mutual commitment of Poland and Germany to a development of the situation in the East as would permit democracy and the market economy to develop freely. Helmut Kohl noted that in German eyes Poland and Europe mutually need each other.

Chancellor Kohl agreed with Prime Minister Jozef Oleksy that permanent consultations between the governments will be continued, and that these will take place on an annual basis on the pattern of the German-French consultations. At the Royal Castle in Warsaw, the heads of government of the two states ceremonially opened the German-Polish Chamber of Industry and Trade.

In the afternoon, the chancellor met with representatives of the German minority and also with the chairmen of the largest parliamentary floor groups.

After the meeting with Chancellor Helmut Kohl, Democratic Left Alliance [SLD] leader Aleksander Kwasniewski said that three matters were discussed: Polish-German relations, the upcoming presidential elections in Poland, and also the opportunities for Poland to join NATO and the EU. Kohl again stressed that there can be no obstacles on the road of Poland's entry to NATO. Here, there is no right of veto, said Kohl. Raising the issue of the elections, the chancellor drew attention to the fact that 1996 should be a year of negotiations on the one hand and on the other hand a year of preparations by Poland for entry into the European structures. The chancellor recalled that there will be elections in the United States in 1996 and expressed the fear that including Central Europe in NATO will be ineffective over this period and that this will cause more losses than gains. He added that if the elections in Russia take place in 1998 and not 1996, then he is convinced that Russia will consent to the widening of NATO next year. About [Aleksander] Kwasniewski [chairman of the Supreme Council of the Social Democracy of the Polish Republic], Helmut Kohl said that he is a decent man, but he has chosen the wrong party.

Oleksy, Kohl To Hold Annual Consultations

LD0707125995 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 7 Jul 95

[FBIS Translated Excerpt] Prime Minister Jozef Oleksy and Chancellor Helmut Kohl agreed that bilateral governmental consultations will be held annually, similar to the German-French consultations.

At Warsaw's Royal Castle, Prime Minister Jozef Oleksy and Chancellor Kohl opened the Polish-German Chamber of Industry and Commerce. Kohl stressed that after Russia, Poland is the most important trade partner for Germany in central and eastern Europe.

Prime Minister Jozef Oleksy assured German Chancellor Kohl that the Polish Government intends to speed up privatization.

[Begin Oleksy recording] The Polish economy is going through restructuring and the speeding up of privatization. We would like the chamber to encourage German capital, German entrepreneurs to participate in the process of restructuring the many Polish industrial sectors, to participate in the Polish money market, and to participate in Poland's privatization processes. [end recording] [passage omitted]

German-Polish Trade Agency To Be Inaugurated

AU0607161795 Duesseldorf HANDELSBLATT in German 6 Jul 95 p 7

[Article by "REV": "There Is Still a Great Need for Advisory Services on Both Sides"]

[FBIS Translated Text] Warsaw—Poland's Prime Minister Jozef Oleksy and Chancellor Helmut Kohl will be among the guests at the official inauguration of the German-Polish Chamber of Trade and Industry in Warsaw's Royal Palace on Friday [8 July]. The hopes that are being pinned on the new chamber are great.

The formation of the new Chamber of Trade and Industry took longer than participants initially thought. The German Industry Delegates Bureau was established in November 1990, and January 1994 saw the formation of a founding committee with the participation of representatives of German and Polish companies. The constituent assembly was held on 15 September 1994. It took several attempts to solve some of the legal problems connected with registration. Skepticism was repeatedly voiced by Polish public opinion and questions were asked about what advantages the Polish side would gain from such a chamber.

In an interview for HANDELSBLATT, Johannes von Thadden, the head of the DIHT [Federation of German Chambers of Industry and Commerce] foreign chambers department, said that there had been no political resistance from the Polish side and that no mistakes had been made during the course of preparatory work. The formation of such a chamber requires careful preparation, he said. "The chamber is starting off with the full support of Polish and German industry as well as the support of Polish and German political circles."

Von Thadden pointed to the great need for advisory services on the part of both Polish and German companies. Both sides have to deal with a whole range of unusual situations. German companies need support in dealing with authorities and business partners in a historically unique period of change, which is marked by a great deal of uncertainty. Polish firms have to adapt to the tough competition that exists in Germany and become familiar with the opportunities, but also the complicated regulations that obtain within the European internal market. "Thus, the demands on the German-Polish Chamber are very great. That constitutes a challenge for the chambers employees, but is a good sign for German-Polish relations."

Personal experience and the learning processes that attended the period of forming the chamber have resulted in great hopes being pinned on the new president of the chamber, who will take up his post now.

"The board's executive director is a very special partner for companies, politicians, and journalists. German-Polish relations are a high priority. From the German viewpoint, they should match German-French relations. There is still a long way to go, and there is still much that has to be done in the economic field."

The view in the DIHT is that today the prevailing impression of Poland among German companies is rightly more positive than it was five years ago.

The rapid growth in trade in particular has shown that German companies have recognized the opportunities that they have and are using them. Nevertheless, there is a desire for improvements. Von Thadden said that administrative practice, especially regarding taxation and dues issues, is not always readily comprehensible. Permits should be issued more quickly and customs procedures at the border are hindering the flow of goods. Many businesses find that the new certification system for goods being imported into Poland is a nontariff obstacle to trade.

Asked whether the left-wing government in Warsaw should be seen as more of an obstacle to reform, the DIHT representative stressed that he did not know anyone who questioned the present government's democratic legitimacy. The German side should not argue along party political lines he said. Company demands concerning German-Polish economic relations are of a more pragmatic nature. "Poland is a stable democracy with all the normal ups and downs. All in all, impressive economic reforms had been set in motion over the past few years. However, privatization has definitely not been completed yet, and in some areas, there has to be a great separation of the links between Polish economic and political elites."

Does the painful history of German-Polish relations have an impact on economic life? Johannes von Thadden said quite openly: "Every businessman would do well to get things straight in this regard. It upsets our Polish partners that visitors from Germany are either unfamiliar with or insufficiently acquainted with the particularly brutal character of the German occupation of Poland. Nevertheless, there is no reason for German companies to hold back on becoming involved there. Today, Poles and Germans have a chance to work for a better common future, and there is a great readiness to do just that on both sides."

Daily Examines Relations With Ukraine

WS0607124195 Warsaw RZECZPOSPOLITA
in Polish 6 Jul 95 p 8

[Article by P.K.: "Poland-Ukraine: Heightened Activity After Stagnation"]

[FBIS Translated Text] Polish-Ukrainian cooperation has improved recently. Numerous Polish delegations have been paying visits in Kiev and Ukrainian representatives have been coming to Warsaw. Now we are expecting President Leonid Kuchma to pay a visit to Poland. The Consultative Committee of the Polish and Ukrainian Presidents has resumed its work.

What will be the results of this heightened activity? Both sides have on numerous occasions declared that there is a need for close cooperation; they have even emphasized its "strategic character." It seems, however, that after a very good beginning—Poland was first to recognize Ukraine's independence, after the referendum of 1 December 1991—and despite numerous visits and declarations, the partners have failed to establish "strategic relations." Nonetheless, it must be stressed that cooperation has not developed badly.

Let us recall a few events: During President Leonid Kuchma's visit to Warsaw in May 1992, the Polish-Ukrainian treaty was signed. In June 1993, when President Lech Walesa was staying in Kiev, the decision was made to set up the aforementioned consultative committee.

In the summer of last year, when Leonid Kuchma became Ukraine's president, the committee ceased to function. Anton Buteyko, its chairman appointed by the Ukrainian side, no longer worked in the president's administration. Incidentally, [former] Minister Jerzy Milewski, the committee's chairman appointed by Poland, split with the President's Chancellery as well. Although both sides gave assurances that the work of the committee was suspended due to personnel issues, the fact that the work was suspended gave rise to doubts as to future cooperation. These doubts were not at all dispelled by the fact that the office of Ukraine's foreign minister was last year assumed by Hennadiy Udovenko, former Ukrainian ambassador to Poland and a person who knows Poland very well.

Oleksy Discusses Budget With PSL Deputies
WS0607131295 Warsaw GAZETA WYBORCZA
in Polish 6 Jul 95 p 2

[Article by Dominika Wielowieyska: "Prime Minister Oleksy and URM Head at the PSL Club; Let Us Talk About the Budget"]

[FBIS Translated Text] "The budget is very tight. Minister Kolodko is seeking new sources of money," Prime Minister Jozef Oleksy told deputies from the Polish Peasant Party [PSL]. The coalitionists argued over the powiats [smallest administrative units that are to be established] and the concordat. They were unable to reach any agreement on a joint strategy.

At a meeting held at the PSL parliamentary club yesterday, Oleksy said significant economic growth will not mean a growth of people's incomes. He added that problems with the budget are partially due to the growing costs of servicing the foreign and domestic debts in 1996 and higher expenditures on social security. Next year, the domestic debt will be somewhere in the teens percentage-wise of budgetary spending. "In the year 2006, servicing the foreign debt will cost \$6 billion," said the prime minister.

The prime minister listed the budget priorities: state security, education ("because it is relatively inexpensive"), restructuring agriculture, and the health care system reform. The peasants asked whether expenditures on agriculture will grow. The prime minister evaded the question. "I spend sleepless nights thinking about agriculture," he replied. "Joker," commented Deputy Minister of Agriculture Jacek Soska (PSL).

Head of the Office of the Council of Ministers [URM] Marek Borowski persuaded the coalitionists to launch a propaganda campaign to defend the commercialization and privatization law. "The Freedom Union is attacking us for planting our people in supervisory boards of commercialized companies. We should take a closer look at who sat on these boards under the previous governments," said Borowski. He claims Solidarity intends to use the law as a "political springboard." The head of Solidarity has already announced referenda are to be held in companies and protests might be staged in the fall. "People will not read the law and will be easily misled," said the head of URM. "Ask your journalist friends to ask you questions about that law."

Oleksy was disappointed with Senate Speaker Adam Struzik because the latter threatened to break up the coalition if the Democratic Left Alliance continued to insist that powiats be established. "Will you push to have the powiats established despite our stance?" asked

Michal Strak. "I do not know, perhaps we should be autonomous on this issue," said Oleksy.

"You are insisting on the concordat," Borowski complained. "Immediately after his Sejm speech upon taking office, Prime Minister Oleksy met with the primate and we had to cope with the fact that we were not there," said Deputy Chairman of the PSL Club Franciszek Stefaniuk.

Waldemar Pawlak was not present at his club's meeting with the prime minister. "The prime minister has left, you can call Waldek [diminutive of Waldemar] now," said Jacek Soska as Oleksy was leaving the room. "Chairman Pawlak was at a meeting with the senators," said Stefaniuk in reply to suggestions that the PSL leader ignored the club meeting on purpose.

Conservative Party Supports Strzembosz
WS0607142195 Warsaw ZYCIE WARSZAWY
in Polish 6 Jul 95 p 2

[Article by "IGO": "The Conservatives: Under SLD and PSL Rule, We Will Be Stuck With State Capitalism"]

[FBIS Translated Text] Outraged with the recent actions of the coalition, Aleksander Hall warns that Poland may get stuck between socialism and capitalism. He claims privatization is being replaced by a bureaucratization of the economy.

"The philosophy of state capitalism that the current coalition is guided by is causing Poland to be stuck between socialism and a free market system," said Chairman of the Conservative Party [PK] Aleksander Hall after the Sejm adopted the Commercialization Law and rejected reprivatization laws developed by the president and the Freedom Union [UW].

"Those who thought the Democratic Left Alliance and the Polish Peasant Party would adhere to the reforms outlined in 1989 must admit they were mistaken," said Hall at a news conference that was held after a meeting of his party's leadership. The Conservatives fear the "bureaucratization" of the economy that the Commercialization Law might lead to, especially as the bureaucrats would be appointed according to political criteria.

Hall also criticized the opposition. He said the UW motion to suspend work on the constitution for the duration of the presidential campaign was unreasonable. "Everything seems to indicate that the draft will be bad and will have to be rejected, but it should be completed as soon as possible," said the PK chairman, reminding that we would once again vote for a president without knowing what his powers will be.

Hall assured that his party continues to support Adam Strzembosz for president. The remaining parties supporting Strzembosz are the Peasant-Christian Party, the Peasant Accord, and the Conservative Coalition.

Catholic Publicist on Polish Anti-Semitism

WS0607122995 Warsaw GAZETA SWIATECZNA
in Polish 1-2 Jul 95 p 13

["Modified text" of speech delivered by Jerzy Turowicz, chief editor of TYGODNIK POWSZECHNY, at the "Polish Remembrance, Jewish Remembrance" international conference held on 10-11 June in Krakow: "Our Everyday Indifference"]

[FBIS Translated Excerpt] [Passage omitted] I do not wish to speak about the problems of the attitude of Christians—and not only Christians—in Poland to the extermination of the Jews. Neither do I wish to speak of the "joint responsibility" Poles are often charged with in the West, because the Poles are not responsible. What I do want to talk about is the sin of indifference to the extermination that a part of our society is guilty of. After the Holocaust, we now have in Poland what has been termed as anti-Semitism without Jews. There were 3.5 million Jews living in Poland before the war. Paradoxically enough, there are currently a mere 5,000 to 10,000, and anti-Semitism still exists.

Of course, the militant anti-Semites are a very narrow extreme—Tejkowski's skinheads, people who put anti-Semitic graffiti on walls, painting the Zionist star dangling on a gallows. One person is enough to paint something on a wall at night. The intellectuals, at least the majority of them, are generally not anti-Semitic. This also goes for the young people who have never, so to say, seen a live Jew. The young intellectuals, at least, are generally not anti-Semitic.

We all know how popular the Festivals of Jewish Culture in Krakow are—never have there been any protests staged against them. On the contrary, they prove that there is an interest, perhaps a longing even for a culture that was once a part of the culture of our nation, the history of the Jews that was once a part of Polish history and that has become extinct. Attempts are being made at reviving and popularizing it. We know that the youth would not tolerate any anti-Semitic protests toward the festival.

Mild anti-Semitism is characteristic particularly for unsophisticated, poorly educated, ignorant, and unaware people—mild because there are no Jews and the so-called Jewish issue does not exist. One proof of that is the susceptibility of the political scene to anti-Semitic claims raised by certain extreme rightist groups—like Tejkowski, but he is not the only one—maintaining that

we are currently governed by Jews, that the Jews are to blame for everything. They make these claims either out of stupidity or insanity, or some type of madness, or out of pure cynicism, pure manipulation. The slogans, however, are catchy. We recently saw that during the Solidarity protests in Warsaw, when workers shouted that Poland is ruled by Jews and attributed Jewish extraction to people who are not Jews.

Some indignantly claim that anti-Semitism does not exist in Poland, and that whoever claims otherwise is damaging Poland's image. Yet Bronislaw Geremek, whom I believe to be one of the wisest and most brilliant political minds, cannot become either Polish president or prime minister only because he is of Jewish extraction.

The challenge posed by Shoah did not uproot anti-Semitism. I think the most important issue is not anti-Semitism as such, but rather the tolerance for its manifestations and the fact that they are regarded as folkloric, as natural. Anti-Semitic graffiti appears on walls, but it does not occur to anyone that it should be removed.

I recently received a letter from Israel from a university professor who had attended a scientific congress in Krakow. He was walking down Florianska Street in broad daylight when a young man—a hoodlum or a skinhead—ran up to him, yanked his yarmulke off his head, and threw it on the ground. No one in the street reacted. Why? If a hoodlum does something like that people are either afraid or they think it is none of their business.

This reminds me of the Nazi occupation, when many Poles committed the sin—as Jan Blonski wrote—of indifference by claiming "it was none of their business," despite the fact that this referred to people who were citizens of the same country. Moreover, Poles and followers of the Jewish faith were bound with the Christians by the same Old Testament. It was as if they were saying: "Yes, the Germans are murdering the Jews, but they are murdering us too." It was both true and false, because the fates of the Poles and Jews under the occupation are incomparable.

I would like to give one more example, taking advantage of the fact that we are speaking at this Polish-French forum [as published]. As far as attitudes toward the extermination of the Jews are concerned, the French burden is perhaps even heavier than that of the Poles—the anti-Jewish legislation of Vichy, the part the French police played in deporting Jews, etc. There was no such collaboration in Poland, although there were Poles who would do anything for money. When a Jewish cemetery was destroyed and desecrated in Carpentras, thousands

of people marched through Paris in protest of anti-Semitism, led by President Mitterrand and Archbishop of Paris Cardinal Lustiger. Jewish (and other) cemeteries were desecrated also in Poland. There were, however, no protests, as it did not cross anybody's mind that such a protest could be staged.

When we talk of the anti-Semitism of Poles, we often hear about the anti-Polish feelings of the Jews, particularly the U.S. Jews who witnessed the extermination from afar. Placing the two on a par is inadmissible. Anti-Polish feelings are unfair to us, but they are a reaction to anti-Semitism—the feeble anti-Semitism we are witnessing today as well as the anti-Semitism that existed before the war and even earlier. We are paying the price for that.

I said that Christianity is not exclusively responsible for anti-Semitism, for teaching contempt. It is, however, largely responsible, although it is difficult to establish the proportions and establish what the major source of anti-Semitism is. I am afraid religion is one of the major sources; therefore, the Church and the Christians have a responsibility to respond to that.

It is not true, of course, that nothing has been done about this in Poland, especially after the 2d Vatican Council adopted the "Nostra Aetate" declaration condemning anti-Semitism. The Episcopate issued a pastoral Letter on the religious bond between Christianity and Judaism, clearly condemning anti-Semitism and stating—after John Paul II—that anti-Semitism is a sin. The Commission of the Episcopate recently issued a similar document in connection with the anniversary of the ghetto uprising [in Warsaw, 1943].

I cannot agree with the statement made by Chairman of the European Jewish Congress Jean Kahn. He expressed his regret that a joint Polish-German document was never issued. The initial draft of the document was

excellent, but it was unacceptable because—despite everything—the responsibility of German and Polish Catholics and the Polish and German churches was completely different. After all, the German Catholic Church was the church of the oppressors, whereas the Polish Church was a church of the victims. It would have been impossible for the document to omit the issue of responsibility and guilt—not for anti-Semitism over the ages, although there would be differences between the Poles and the Germans in this respect, but for responsibility for the Holocaust. All the major world media would instantly react by reporting that Polish and German Catholics have admitted their responsibility for the Holocaust. And that would be untrue.

Much more was done in our country than just passing documents. The Catholic Church in Poland organized dozens of seminars and symposiums devoted to these problems. Dozens of books have been published on the Holocaust and anti-Semitism, Christian-Jewish and Polish-Jewish relations, the history and culture of Jews in Poland; Catholic papers published many special editions devoted to these issues.

This, however, is not enough because even if it does reach wide circles of Catholic intellectuals and the young generation, it does not reach the masses. Even if those masses did hear the pastoral letter at church, they either forgot it, or did not understand it, or the message did not get across.

Meanwhile, anti-Semitism is a problem of the authenticity of Polish Catholicism, a problem of the credibility and observance of the Gospel. The result of the Holocaust should be the unacceptability of anti-Semitism, its disappearance. But will it disappear? I am talking not only about Poland—will it disappear altogether, is it at all possible? That is a difficult question to answer.

PAC 'Deeply Revolted' by Shumeyko Statement

AU0607200495 Bucharest *CURIERUL NATIONAL*
in Romanian 30 Jun 95 p 3

[Article by A. Dumitrascu: "PAC Is Revolted by Vladimir Shumeyko's Statements"]

[FBIS Translated Text] PAC [Civic Alliance Party] leader Nicolae Manolescu stated that his party was "deeply revolted" by the statements made by Vladimir Shumeyko, chairman of the Russian Federation Council, referring to the opportuneness of Romania joining NATO, saying that "it is impossible that all countries join NATO and the concept of NATO's expansion carries in itself the idea of segregation." Referring to Shumeyko's statements, the PAC president said that it is regrettable that the Romanian authorities "met these stands expressed by the Russian side with an amazing lack of firmness." Recalling that the Romanian Govern-

ment and the Presidency expressed our country's wish to attain integration in Euro-Atlantic structures, Nicolae Manolescu expressed surprise with the statements made by Ion Mircea Pascu, secretary of state in the Ministry of National Defense, to the *CURIERUL NATIONAL*, according to which "without Russia's assent, Romania cannot join NATO." Condemning also the "polite position" of Senate President Oliviu Gherman, who did not clearly reject "the Russian side setting conditions to Romania's decisions," Manolescu said that PAC "is surprised" that President Iliescu "has not reacted so far" to the respective statements, asked the authorities "to state their position clearly and firmly," and expressed his hope that "this position will not contradict the commitments that Romania has recently assumed" when it submitted the application for admission in the European Union.

Federal

Ministry Protests Shelling of Bay of Kotor Area

LD0607140795 Belgrade TANJUG Domestic Service in Serbo-Croatian 1327 GMT 6 Jul 95

[FBIS Translated Text] Belgrade, 6 Jul (TANJUG)—The Federal Ministry of Foreign Affairs today lodged a sharp protest with the Office of the Republic of Croatia in Belgrade against the shelling by Croatian armed forces of the Greda area in the general region of the Bay of Kotor [Montenegro] on 4 July 1995.

The protest says that "this arrogant and unprovoked provocation by the armed forces of the Republic of Croatia is a flagrant violation of the sovereignty and territorial integrity of the Federal Republic of Yugoslavia, threatens the security of its citizens and causes tension in the border region."

The Yugoslav ministry also warned that the Croatian side will bear responsibility for all the dangers and possible consequences.

TANJUG Commentary on UN Decision on Sanctions

LD0607171095 Belgrade TANJUG in English 1630 GMT 6 Jul 95

[By TANJUG's diplomatic editor Zoran Jevdjovic]

[FBIS Transcribed Text] Belgrade, July 6 (TANJUG)—The extension of the partial suspension of sanctions has once again confirmed the stance of the majority of the leading members of the international community—i.e. that peace efforts in cooperation with Yugoslavia as a key factor in the Balkans must continue, diplomatic circles assessed Thursday in Belgrade.

The diplomats consider as encouraging the fact that the final version of the U.N. resolution contains no new conditions to Yugoslavia, for the first time since the sanctions were first eased.

Belgrade political circles however note with regret that the demands and insistence by the U.S. and Germany have once again prevented a further relaxation of sanctions, and consequently the progress of the peace process as well.

This stance is supported by the statement of the Russian representative Vasilii Sidorov, who said during the Security Council debate that the resolution did not provide an appropriate form of encouragement to Yugoslavia's constructive role in the peace process.

The minimum that should have been done was to make the suspension permanent. Russia cannot agree either to the repeated tactics of arbitrarily using unconfirmed

and irrelevant arguments when taking decisions, Sidorov said, drawing the conclusion that the U.N. was using double standards.

Chinese Ambassador Qin Huasun said the Security Council had not taken into account the objections, including those voiced by China, regarding the text of the resolution. China believes that by gradually lifting the sanctions, Yugoslavia should be encouraged in its peace endeavors.

U.S. and German representatives in the Security Council quoted assumptions taken from leading U.S. papers rather than presenting real arguments.

The well-known facts are, however, the following: The Americans fully tolerate the illegal arming of the Muslim forces and their offensives launched from the safe areas, as well as the presence of the regular Croatian army in Bosnia, as they have themselves confirmed many times. They have paid no heed to objections raised over these controversial issues in the Security Council.

The British and the French this time advocated a partial suspension of sanctions for a longer period, thus showing to some extent disagreement with the U.S. and German policy which does not contribute to the peaceful settlement of the crisis in the former Yugoslavia.

Yugoslav Ambassador Dragomir Djokic said sanctions as a political instrument were a complete failure—they have not and cannot put an end to bloodshed, but can only serve to cover up, like a fig leaf, the failure of the international community in its efforts to settle the crisis.

One can therefore wonder about the motives of those who use threats and diplomatic pressure in the Security Council to hinder a full appreciation of Yugoslavia's stance, thus directly minimizing the possibility of achieving progress in the peace process and providing encouragement to those who advocate the continuation of the tragedy of war.

The policy of countries which act using pressure and double standards and neglecting reality—as their representatives have subsequently admitted—obviously cannot lead to a just solution and to the end of war, and is certainly not in the interest of stabilizing the situation in the Balkans.

Embassies To Open in Georgia, Turkmenistan

LD0607190095 Belgrade TANJUG in English 1711 GMT 6 Jul 95

[FBIS Transcribed Text] Belgrade July 6 (TANJUG)—The Yugoslav Government adopted Thursday a decision on the establishment of diplomatic relations at the ambassadorial level with Georgia and Turkmenistan,

two members of the Commonwealth of Independent States.

At a session chaired by Deputy Prime Minister Jovan Zebic, the federal government also decided to send aid in medical supplies for the Sakhalin region in Russia, hit by a disastrous quake, a federal government statement said.

The government took a decision to simplify the issue of visas and tourist passes for foreigners arriving in Yugoslavia in groups in the organization of travel agencies.

Serbia

Milosevic: Serbia Has Great Economic Potential

LD0607213895 Belgrade TANJUG in English
2106 GMT 6 Jul 95

[FBIS Transcribed Text] Belgrade, July 6 (TANJUG)—Serbian President Slobodan Milosevic said Thursday [6 July] that this Yugoslav republic had great potential for economic expansion.

'It is therefore of the utmost importance to reach peace in the Balkans, and we shall continue to make the maximum political efforts to this end,' Milosevic said during talks with leading Serbian businessmen.

Constant production growth in almost all branches of industry in the first six months of the year has confirmed that the country's economy is recovering successfully, it was heard at the meeting.

Milosevic discussed with the businessmen Serbian firms' efforts to secure conditions for undisturbed production despite sanctions imposed on the Yugoslav Federation of Serbia and Montenegro by the United Nations on May 30, 1992.

The businessmen pledged to continue to implement the economic recovery program devised by Yugoslav Central Bank Governor Dragoslav Avramovic.

Since it was launched in January 1994, the program has done away with hyperinflation and created stable conditions for increasing production, which had been on the decline since the imposition of the sanctions.

Ugljanin Asks Bildt To Initiate Dialogue

AU0607165095 Belgrade NASA BORBA
in Serbo-Croatian 6 Jul 95 p 16

[FoNet report: "Ugljanin Complains to Bildt"]

[FBIS Translated Text] Novi Pazar—Sulejman Ugljanin, president of the Muslim National Council of Sandzak, who has been residing abroad since the is-

suing a warrant for his arrest in Serbia, has written to Carl Bildt, the new cochairman of the International Conference on the Former Yugoslavia [ICFY] in which he informs him "of the political situation, terror, and ethnic cleansing in Sandzak," the MONETNA FAX agency has reported.

According to a statement released by the Muslim National Council's Press Service in Novi Pazar, in the letter, Ugljanin demanded that the ICFY, which has a separate group designated for dealing with Sandzak, should honor its obligations towards the enclave and should "call all interested parties to negotiate a solution to Sandzak's status."

Advantage Seen in Establishing 'Balkan Benelux'

AU0607205295 Belgrade POLITIKA
in Serbo-Croatian 5 Jul 95 p 14

[Article by Branislav Radivojisa: "Balkan Benelux Solution for War?"]

[FBIS Translated Text] Will the countries on the territory of the former Yugoslavia form a loose association of sovereign countries, a sort of a Balkan Benelux? According to some reports, this is being considered in the U.S. State Department. The Balkan Benelux would allegedly consist of the FRY, Bosnia-Herzegovina, and Macedonia [the Former Yugoslav Republic of Macedonia—FYROM] as sovereign countries "with a customs union and one market."

According to the reports, this version of a solution to the Yugoslav crisis is based on "an arithmetic breakdown of interests" of all sides in the conflict: Sacrifices are demanded from each of them individually and certain rewards are offered.

Influence of U.S. Elections

Where does the idea about the union of states east of the Una River originate from? Allegedly, the United States is interested in the speediest possible resolution of the crisis in the Balkans, as Bosnia will be "an aggravating circumstance" for President Clinton in the presidential elections next year. Since a consensus on a military solution to the crisis in the Balkans evidently cannot be reached, what is left is only a realistic idea about the union of the three sovereign states.

Such a proposal involves stepping down from the Washington Agreement on the creation of the Croatian-Muslim confederation as well as the Krajina Serbs (and official Zagreb) agreeing to negotiations on the Z-4 plan, that is, on their autonomy within Croatia. It also assumes the recognition of the entire Bosnia-Herzegovina, as the

national entities would preserve their autonomy within the union's framework.

Allegedly, all the protagonists on the territory of this union would have a reason to be interested in such a community. The Muslims from Bosnia would, at least formally, preserve the integrity of Bosnia, simultaneously establishing links with their fellow countrymen in Sandzak. The Serbs from Bosnia would be in a union with Serbia and Yugoslavia, while Macedonia, by joining the Balkan alliance, would gain a chance to free itself from a conflict with Greece and would resolve numerous current economic problems. The FRY would, of course, rid itself of sanctions.

According to the author of the above reports, only the Herzegovina Croats would probably be opposed to such a plan "as they could not envisage the disintegration of the SFRY [Socialist Federal Republic of Yugoslavia] without them becoming a part of Croatia," which this version of the creation of a Benelux does not envisage. However, they would be offered an autonomous status within Bosnia-Herzegovina, just as the Serbs in Croatia, that is, Krajina. A similar type of autonomy would be implemented in Kosovo.

Irrespective of the feasibility of this idea about the creation of the Balkan union, we should point out that there have been similar proposals before. Actually, Presidents Gligorov and Izetbegovic offered their platform of an alliance of sovereign republics as a possible solution to the crisis in June 1991. In September of the same year, Macedonia organized a referendum that envisaged a possibility of this republic joining the future "alliance of sovereign states."

In August of the same year, a joint meeting of the presidents of Serbia, Montenegro, and Bosnia-Herzegovina

was held in Belgrade on the initiative of Serbian President Milosevic. Alija Izetbegovic did not attend the meeting and the meeting, thus, unexpectedly gained the character of the Serbian-Montenegrin summit.

War the Worst Solution

Since then, the military conflicts have considerably complicated the possibility of a dialogue on possible unions and alliances, although a group of parties of the Yugoslav United Left also favor the resolution of the problem "through the reintegration of the Yugoslav territory." This proposal was recently repeated by Dr. Vladimir Stambuk.

What is also intriguing is a recently unveiled proposal by lawyer Slobodan Vuckovic, a member of the Democratic Center Fund, that Serbia should initiate the holding of a new international conference on the former Yugoslavia. At this conference, according to Vuckovic's proposal, all former Yugoslav republics would mutually recognize each other and pass multilateral conventions on their disarmament, the resumption of economic cooperation, and the movement of people and goods without customs and state limitations. At the conference, the sanctions against FRY would also be abolished and an international aid plan for reconstruction of the installations destroyed and damaged in the war would be passed.

Each side in the conflict would probably have something to criticize in the above proposals, although the advantage of these ideas is that they offer a certain perspective to all citizens, peoples, and former Yugoslav republics as opposed to the current war, destruction, and general slide into poverty.

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